Daily Report

East Europe

FBIS-EEU-94-125
Wednesday
29 June 1994

Daily Report
East Europe

FBIS-EEU-94-125 *29 June 1994*

CONTENTS

NOTICE TO READERS: All material in this volume previously disseminated in electronic form.
An Ω indicates a Foreign Media Note.

ALBANIA

Court Postpones Verdict on Alia, Others *[Tirana TV]* 1
Independent Press Seen as 'Small Minority' *[GAZETA SHQIPTARE 24 Jun]* 1

BULGARIA

Foreign Debt Agreement Signed With London Club *[Sofia Radio]* 2
SDS Council Relaxes Parliamentary Boycott *[Sofia Radio]* 2
BSP Representatives Present Pardon Petition *[Sofia Radio]* 2

CZECH REPUBLIC

Havel Talks With Albanian Prime Minister *[Prague Radio]* 3
Commentary Questions Withdrawal of MiG-29's *[MLADA FRONTA DNES 24 Jun]* 3
Baudys Says Planned Defense Cuts on Target *[Prague Radio]* 3
Industry Minister on Reforms, Competition *[Brussels L'ECHO 28 Jun]* 3

SLOVAKIA

Prime Minister Views First 100 Days *[SMENA 21 Jun]* 5
Moravcik Answers Meciar's Criticism of Trips *[PRAVDA 21 Jun]* 6
Weiss Discusses Coalition Work, Differences *[SME 24 Jun]* 6
Two Hungarian Parties Sign Coalition Agreement *[SLOVENSKY DENNIK 25 Jun]* 8
Hungarians Prefer Moderates to 'Radical' Duray *[SLOVENSKY DENNIK 25 Jun]* 9
Slovak, Hungarian Views on Minority Rights *[NARODNA OBRODA 25 Jun]* 9
Approval of Double Taxation Accord With Poland *[Bratislava Radio]* 10
Russian Debt Said Linked to Czech-Slovak Accord *[Bratislava Radio]* 10

HUNGARY

Goncz Addresses New National Assembly *[Budapest Radio]* 11
Assembly Speaker Views Law on Former Agents *[Budapest Radio]* 12
Ministers-Designate View Most Urgent Tasks *[NEPSZABADSAG 28 Jun]* 12
Goncz Relieves Administrative Officials *[Budapest Radio]* 14
Defense Ministry Officials Relieved of Posts *[Budapest Radio]* 14
Bekesi's Views on Coalition, Economy Examined *[NEPSZABADSAG 3 Jun]* 14
Statistics Show Drop in Unemployment in May *[UJ MAGYARORSZAG 27 Jun]* 15
Failures of State Farm Privatization Viewed *[NEPSZABADSAG 3 Jun]* 15

POLAND

U.S. Said To Oppose Bill on Military Aid *[ZYCIE WARSZAWY 29 Jun]* 17
Defense Minister Kolodziejczyk Interviewed 17
On NATO Exercises, Russia *[Warsaw Radio]* 17
On Weaponry, NATO, Russia *[POLITYKA 2 Jul]* 18
Defense Minister Sets Defense Sector Targets *[Warsaw Radio]* 22
Document on Development of Defense Adopted *[NOWA EUROPA 29 Jun]* 22
SLD Leader on Elections, New Constitution *[TRYBUNA 27 Jun]* 22

ROMANIA

Minister Views Prospects of Privatization *[ROMANIA LIBERA 20 Jun]* 25
PRM Protests Constanta 'Assassination Attempt' *[CURIERUL NATIONAL 7 Jun]* 26
KGB 'Campaign' Against SRI Alleged *[EVENIMENTUL ZILEI 23 Jun]* 27

BOSNIA-HERZEGOVINA

Buha: Both State Entities Must Be Recognized *[TANJUG]* 29
'Bosniak' Category in FYROM Census Urged *[TANJUG]* 29
SDA Assails Abdic, Lack of Humanitarian Aid *[Sarajevo Radio]* 29
'Mass Arrests' of Abdic Opponents Reported *[Sarajevo Radio]* 30
Karadzic Demands Respect for 'Just Victory' *[TANJUG]* 30
Serbs Claim Muslims Attacking Bihac Front *[TANJUG]* 30
Six Killed in Muslim Attacks on Serb Areas *[TANJUG]* 31
B-H Army, HVO Artillery Attacks in Doboj *[Belgrade Radio]* 31
Muslim Attack Reported *[TANJUG]* 31

CROATIA

Istrian Leader Calls Tudjman Speech 'Improper' *[NOVI LIST 25 Jun]* 32
Commentary Views Istria, Relations With Italy *[NOVI LIST 27 Jun]* 32
Defense Ministry Receives Turkish Delegation *[Zagreb Radio]* 33

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Commentary Views Relations With Athens *[NOVA MAKEDONIJA 25 Jun]* 34
'Paramilitary' Albanian Organizers Sentenced *[NOVA MAKEDONIJA 28 Jun]* 35

SLOVENIA

Kucan: Closing of EU Doors 'Historic Injustice' *[Ljubljana Radio]* 36
Justice Minister Resigns in Housing Scandal *[TANJUG]* 36

YUGOSLAVIA

Federal

Italy's Martino Visits, Discusses Crisis 37
Italy Assuming 'Decisive Role' *[TANJUG]* 37
Martino Meets With Milosevic *[TANJUG]* 37
Meets With Bosnian Serb Leaders *[TANJUG]* 37
Martino Summarizes Talks *[TANJUG]* 38
Foreign Ministry Statement on Talks *[TANJUG]* 38
Jovanovic Urges 'Principled Approach' to Crisis *[Belgrade Radio]* 39
Nikiforov To Replace Churkin on Belgrade Visit *[TANJUG]* 39
Choice of Turkey as Peacekeeper Criticized *[TANJUG]* 40
Liquidity of Banks Deteriorating *[EKONOMSKA POLITIKA 13 Jun]* 40

Serbia

Milosevic Praises Party for Joining Government *[TANJUG]* 41
Milosevic Praises Government's First 100 Days *[TANJUG]* 42
Turkish Resettlement Via FYROM Feared *[VECERNJE NOVOSTI 28 Jun]* 42
Depos Opposes 51:49 Division of Bosnia *[Belgrade Radio]* 43
Commentary Warns of Belgrade TV Propaganda *[VREME 27 Jun]* 43

Montenegro

Foreign Minister Talks With Italy's Martino *[TANJUG]* 44

Court Postpones Verdict on Alia, Others

AU2806192594 Tirana TVSH Television Network in Albanian 1800 GMT 28 Jun 94

[Text] The Tirana District Court's spokesman reports that at today's hearing of the trial investigating the criminal case of the defendants Ramiz Alia, Rita Marko, and others, the judicial body decided to postpone the announcement of the verdict until 2 July 1994, at 0900 this Saturday, as one of the court members has been hospitalized for a temporary health problem.

Independent Press Seen as 'Small Minority'

AU2806134094 Tirana GAZETA SHQIPTARE in Albanian 24 Jun 94 p 1

[Text] Tirana—The development and current situation of the free press in Albania, based on the experience of Albanian journalists themselves, was the topic of a discussion held in the Palace of Congresses with a group of Albanian journalists representing various newspapers, organized by the delegation of European Democratic Union—of which Professor Doctor Andreas Khol was a member.

Acknowledging the birth of a free press in Albania over the last few years, the journalists highlighted in their discussions the existence of a dual tendency: on the one hand, abuse of the freedom of the press and, on the other, efforts to restrict it. Some of the speakers pointed out that the media in general was still politicized, and the independent press remained a small minority.

It is precisely the latter—having financial support from neither political forces nor government—that is extremely endangered by the merciless law of insolvency of the market economy.

Foreign Debt Agreement Signed With London Club

AU2906094594 Sofia Khorizont Radio Network in Bulgarian 0800 GMT 29 Jun 94

[Text] At an official ceremony at the Boyana residence on 29 June, Finance Minister Stoyan Aleksandrov signed the documents on settling the country's foreign debt to the London Club creditors. Peter Tils, Deutsche Bank executive director, and Dr. Hans-Dirk Kleckerer of the Deutsche Bank signed the basic agreements that regulate the replacement of our present debts to the banks by state securities, or reduced payments.

Lee Warner, director of settlements for Citibank in New York, signed an agreement on the fiscal aspects of the settlement, the reduced initial interest payments, and the postponed interest payments.

Representatives of 12 banks, which are our basic creditors from the London Club, signed an annex to the agreement that settles our direct debts to them. The ceremony was attended by Prime Minister Lyuben Berov.

SDS Council Relaxes Parliamentary Boycott

AU2806192894 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 28 Jun 94

[Report by Antoaneta Puncheva]

[Text] The National Coordinating Council of the SDS [Union of Democratic Forces] today discussed the resolution of the SDS parliamentary group analyzing the boycott of parliament and the negative assessment of a large number of SDS deputies on taking part in full parliamentary sessions on a selective basis. In the view of the National Coordinating Council, in the future authorized members of the SDS parliamentary group should enter the plenary hall of parliament to represent SDS interests. Today the SDS deputies hotly debated their strategy for three hours, but failed to reach any decision.

The Ecoglasnost National Movement has disseminated an address in which it declares that it supports the decision adopted by the Sixth SDS National Conference to boycott parliament and conduct extraparliamentary actions.

BSP Representatives Present Pardon Petition

AU2806181794 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 28 Jun 94

[Text] The Bulgarian Socialist Party [BSP] Press Center has reported that President Zhelyu Zhelev today met with a group of National Assembly deputies of the BSP, who handed him a petition with the signatures of 122 deputies from all the political parties represented in parliament requesting him to pardon Georgi Atanasov and Stoyan Ovcharov [prime minister and minister of economics and planning in final years of Zhivkov regime], who are now serving prison sentences. According to the BSP deputies, when President Zhelev has discussed the material evidence submitted on the state of health of the two prisoners and considered the signatories to the petition, he should decide to sign a decree pardoning the two former state officials. The group of deputies found that the president showed understanding for their request and expect a favorable result to the petition in the very near future.

According to a second fax we received from the Presidency, the Press Center of the Presidency makes the following announcement in connection with the announcement by the BSP Press Center on the meeting between President Zhelyu Zhelev and a group of BSP deputies: Bulgarian President has received a petition handed to him requesting pardons for Georgi Atanasov and Stoyan Ovcharov.

Havel Talks With Albanian Prime Minister

LD2806182594 Prague Radiozurnal Radio Network in Czech 1600 GMT 28 Jun 94

[Text] President Vaclav Havel has received Albanian Prime Minister Alexander Meksi. They discussed the future of bilateral cooperation, especially in economy and trade. President Havel expressed hope that in the future Albania might become a destination for Czech tourists. In this context, Prime Minister Meksi opined that, in the future, both countries could remove joint visa requirements, which would be very helpful to mutual contacts.

Commentary Questions Withdrawal of MiG-29's

AU2806160294 Prague MLADA FRONTA DNES in Czech 24 Jun 94 p 6

[Commentary by Josef Tucek: "The Army Is Gradually Becoming Obsolete"]

[Text] The Army has decided to withdraw 10 world-renowned Russian MiG-29 fighter aircraft from its armory. It will, however, keep the somewhat older MiG-21 aircraft, which it wants to modernize at least a little. This merely confirms factually that the military is becoming obsolete and that no decisive change is on the horizon.

Few modern weapons can be purchased from the current military budget. We should not be surprised by this—after all, the state has more pressing concerns at the moment than extensive rearmament. Of course, the fact that the Army is withdrawing its state-of-the-art MiG-29's is rather surprising. The reason given, that it is too expensive to operate them, is also not the most convincing. It is usually preferable for a modern army to have just a couple of state-of-the-art aircraft than a dozen obsolete ones. So, the old ground-attack aircraft, in which the pilots will learn what it is like to be in the air and wait until the Army can afford really modern ground-attack aircraft, will remain in Czech skies.

The troops in the ground forces are also choosing the same path. Instead of purchasing too expensive new tanks, it is envisaged that the current T-72-type will be modernized. It should be equipped with a better engine and transmission, a night-sight system, better reconnaissance, and improved armor, and it should be capable of using more effective munition. However, it will certainly not become the state-of-the art.

The modernization of older weapons and their continued use is an acceptable stopgap until the state has more money left to thoroughly improve the Army's ordnance. This, however, begs the question more and more whether it would not be better for the country's defense to concentrate on building up an army in which the main strike force would be made up of a few but select and well-armed professionals. Of the current Army, the rapid-deployment forces would come closest to this. However, there is also a hitch in forming them. For instance, the Army cannot pay adequately or guarantee apartments for those interested in serving.

Baudys Says Planned Defense Cuts on Target

LD2806160794 Prague Radiozurnal Radio Network in Czech 1100 GMT 28 Jun 94

[Text] At the present time, all of the prerequisites exist in the Czech Army for the reduction of the Armed Forces to the planned 65,000 in 1995, Defense Minister Antonin Baudys said today. He said that, over the past 18 months, the number of troops was reduced from just below 106,000 to 88,000 men under arms. Key posts on strategic and operational levels were filled with uncompromised and professionally trained generals and officers, Baudys said.

Industry Minister on Reforms, Competition

BR2806124794 Brussels L'ECHO in French 28 Jun 94 p 2

[Interview with Vladimir Dlouhy, Czech minister for industry, trade, and tourism, by Francoise Delstanche in Brussels; date not given: "Prague Does Not Deliberately Delay Reforms"]

[Text] *Privatizations are progressing at a very rapid rate in the Czech Republic, but the restructuring of the enterprises is lagging behind. Although growth seems to have revived, unemployment is not yet a thing of the past.*

Vladimir Dlouhy, Czech minister for industry, trade, and tourism, was recently in Brussels to meet with Leon Brittan [European commissioner for external and economic affairs] and Henning Christophersen [European commissioner for economic and financial affairs]. On this occasion, we questioned him on the progress of the reforms in his country. Indeed, the Czech Republic is among the countries most convinced that it is necessary to carry out the changes rapidly, and it can probably afford to do so in view of the healthy state of its major macroeconomic parameters. The state budget is showing a surplus, and the foreign debt is low, and it seems possible to keep inflation between 6 and 7 percent this year.

And yet, despite the neoliberal convictions of Vaclav Klaus, its prime minister, the Czech Republic sometimes proceeds with greater caution than you might think.

[Delstanche] The Czech Republic is the one that first launched a mass privatization program, especially with a view to speeding up the process. Are you satisfied with how it is running? And what is the present position?

[Dlouhy] Technically speaking, privatization is going well. The second phase of the privatization program by coupons should be completed by the end of the year. At that time, the public sector should no longer own more than 15-18 percent of the companies. And we include in this figure the health sector and the strategic holdings sector. We will probably therefore reach a paradoxical

situation because state participation will probably be much less important than in many European Union countries.

[Delstanche] Are there not some problems with investment funds, which are being gradually taken over by the banks?

[Dlouhy] That is not exactly the case. It is true that the banks have created a number of investment funds and that these represent approximately 20 percent of the total. But this is not the result of the redemption of funds by the banks. Having said that, it is true that these funds created by the banks are among the strongest and biggest and that they have played a major part in the privatization process. They have sometimes also carried out debt equity swaps and other operations that reflect the financial problems of companies that are part of the mass sales program. But why should we consider that the participation of banks in the ownership of these funds is a problem? I do not think this reflects a problem in the privatization process. Obviously, it would be different if the banks held 80 or 90 percent of the funds.

[Delstanche] Is there not a risk of witnessing too strong a concentration of these funds, when they are required to deal with financial problems?

[Dlouhy] That is true up to a point. But it is clear that some funds will fail. That is logical because we have inherited a very inefficient economic system, and this is the law of the market. It is therefore possible to expect a great concentration of property, especially among these funds linked to the banks.

But I have no fears that this concentration will become excessive. And we are also trying to develop, at the same time, a strong policy of competition, which should ensure the maintenance of a competitive environment, even with a greater concentration. Moreover, this is a question that should be linked to commercial policy and the opening of the internal market to foreign competition and so forth.

[Delstanche] In this connection, the OECD detected your country's violations of the rules of competition by granting favorable treatment in the case of Volkswagen's takeover of Skoda.

[Dlouhy] It is true that Volkswagen received special conditions but not very much if they are compared with the treatment offered by Spain and Portugal to foreign investors. That is also an exception to the rule. We are well known and sometimes even criticized by the international investment institutions or the internal opposition because we do not offer special treatment to foreign investors. We prefer to offer everybody the same conditions.

We went against our principles in the case of Volkswagen because the automobile industry is very important for the Czech Republic. Not only per se, but also because it is the driving force for many other companies like textiles, the chemical industry, machine manufacturers.

[Delstanche] You have a law on bankruptcy, but it has clearly not been forcefully implemented so far. Is this not a contradiction, when your country has chosen to carry out rapid reforms?

[Dlouhy] It is not a contradiction. Our law is good. So far, it is true, there have not been many bankruptcies, but this is not because of the legislation. It is the result of the fact that the privatization process has not yet been completed and that the new owners are not making the restructuring very rapidly. This is also the result of internal insolvency, which creates a kind of vicious circle in which everybody is indebted toward somebody else, which prevents any flow of payment. Moreover, we cannot deny that it is also the result of the fact that you mentioned—namely, that some investment funds are partly owned by the banks. These institutions that hold shares in companies in difficulty do not want to push them into bankruptcy but are trying to carry out their financial restructuring.

[Delstanche] But does this not also correspond to a desire by the government to delay the explosion of unemployment?

[Dlouhy] I can assure you that it is not a problem resulting from a deliberate policy. We have always been cautious with bankruptcies, but we have never stated that we were going to tackle this problem in a gradual way. This is the result of the privatization strategy. Obviously, for the time being, we are gaining major political advantages from it because the unemployment rate is very low. It is now 3.14 percent, whereas the economic growth rate has reached 3.5 percent in the first five months of the year. However, it is true that we are going to face this unemployment problem in the future, but it will essentially be a problem at the level of certain regions.

Prime Minister Views First 100 Days

AU2806133294 Bratislava SMENA in Slovak 21 Jun 94 pp 1, 4

[Interview with Prime Minister Jozef Moravcik by Alena Melicharkova; place and date not given: "They Gave the Best They Had"]

[Text] One hundred days have passed since the coalition government was established, a government that took the risk of preelection failure in times of difficult economic problems and a certain polarization in society. The opposition, deprived of power, is heaping reproaches and accusations on the government, particularly the prime minister. As usually happens, the more one tries to expose lies, the more one's truth is doubted. One day, however, history will tell us the true story about each government. Today, Prime Minister Jozef Moravcik has the word.

[Melicharkova] Your government has been in power 100 days. It is time to render an account, and we can now safely say whether the individual members of the government are the right people in the right place. Do you have the feeling that your colleagues meet the criteria of the times?

[Moravcik] In this period, the government has shown itself to be a well-functioning team. We may have different opinions regarding certain problems, but it is a very important fact that we have always been able to find solutions without having to vote on certain problems and actually count the yes and no votes. That is, practically all decisions are made unanimously after thorough discussion. It is an important fact that this government has been formed as a coalition government because all of the political groups that are participating in it wanted to give the best they had. This, in fact, is the logic of parliamentarism, which has proved itself effective also in this case. From this viewpoint, I can give a positive answer to your question.

[Melicharkova] On what basis would you describe your government as successful after 100 days?

[Moravcik] I will try to be concise. The biggest problem we had to face was the budget. It was ill-conceived and of low quality, which has mainly affected health care and education. In the first days of our government, we were forced to "quench" the problems that had arisen. We may consider it a positive aspect of this government that we were able to secure the conditions for these spheres to function normally. Moreover, we should mention another problem, related to the budget deficit. From the viewpoint of the transformation of the economy, it is very important for us to keep the deficit at a certain level. The approved budget contained great budgetary risks. It took a lot of energy to eliminate them. We have drafted a project that we are presenting to the National Council of the Slovak Republic. If it is implemented in the way we have proposed, the entire budget system should be consolidated. It is likely that this will have a strong impact in the next period.

From this viewpoint, it is possible to consider this a positive aspect, despite the fact that it represents intervention in the tax system. However, we could not have agreed with the increasing deficit because it would only mean postponing the problem for the future, and, if other problems appeared, in addition, a critical situation could arise, which is what we want to avoid. The solution to this problem has a positive impact mainly on the economy, but, in a way, it is also a gift for the next government because it will not have to solve this problem.

[Melicharkova] Some of the solutions will require a considerable amount of funds. We cannot expect them to come from abroad only....

[Moravcik] We have succeeded in discovering certain resources in the sphere of privatization, despite the fact that, in view of the specific privatization method in the previous period, the administration of the National Property Fund practically incurred a deficit. We had to quickly change the entire privatization concept and relations between privatization and the National Property Fund, and to draft our own project for recovering the National Property Fund. On the basis of our measures, we have found resources that we can now use as development resources. This means that, in the interest of certain development stimuli, we can use these additional resources to compensate for certain restrictions in the budget. We want to orient them, above all, toward comprehensive housing construction, the road network, the construction of highways, and development of small and medium-size enterprise. At the same time, we have been solving a number of problems associated with the normal functioning of all of the branches.

[Melicharkova] How are relations between the government and parliament? The serious misunderstanding between the former government, parliament, and president are well known. Are the constitutional officials at the head of this state people who are able to communicate and find consensus in the interests of the Republic? It is a known fact that the chairman of the National Council of the Slovak Republic is a member of the opposition Movement for a Democratic Slovakia. Do you not have confrontations with him?

[Moravcik] There is no situation that would allow a confrontation. I am not interested in a confrontational policy, and it would not even be advantageous. The same applies to relations with parliament. As regards our relations with the president, communication is very efficient and trouble-free. It is in full harmony with what is anchored in the Constitution of the Slovak Republic.

[Melicharkova] Which of the problems that you inherited from your predecessors have you already successfully solved?

[Moravcik] The problem of the social fund was critical. The solution adopted by the former government was terrible. We succeeded in getting the situation in the social fund into tolerable shape. However, we are not fully satisfied with everything we have achieved. It is a compromise, for sure, and we will try to find a more systemic solution.

[Melicharkova] People who do not wish you success (and thereby slander our state, in fact) affirm that this state has no control mechanisms. For example, can the state apparatus function without control mechanisms? Is it at all possible?

[Moravcik] It is impossible. Every system has to have control mechanisms. We do not know the real arguments of those who say we do not have control mechanisms. Such an idea is really absurd. Each sector has its control bodies. Financial control, provided by the Slovak Republic's Finance Ministry, has a specific place. Also, the government has a control mechanism. At the Office of the Government of the Slovak Republic, there is a control department to control the fulfillment of government resolutions. The Supreme Control Body of the Slovak Republic has a most important place. We have abolished the specific control body at the Office of the Government of the Slovak Republic because such a thing is very strange from the viewpoint of the usually accepted control mechanisms. It is something that does not exist anywhere in the world. To establish a control body at the government office, which, in fact, serves the government, and to make a central state organ from the office of the government is a concept that is not known anywhere in the world. We were possibly the only state in the world that had an absurd thing like that. It was therefore quite logical for us to change this system and harmonize it with what is usually done in the world. The fact is that the control system of the Office of the Government of the Slovak Republic was often misused to settle personal accounts or to pursue personal goals. Such a way of "self-realization" in the state administration is unacceptable.

Moravcik Answers Meciar's Criticism of Trips

AU2806161394 Bratislava PRAVDA in Slovak 21 Jun 94 p 2

[TA SR report: "Jozef Moravcik Versus Vladimir Meciar"]

[Text] Bratislava—In an interview for the TA SR, Prime Minister Jozef Moravcik yesterday described as very incompetent former Prime Minister Vladimir Meciar's allegations, made in an interview for SMENA NA NEDELU, that the official tours of duty of current government officials were "tourism for taxpayers' money." Moravcik stated that, if he were to compare official trips before [under Meciar's government, when he was foreign minister] and now, the present ones are far more concentrated and businesslike. He specified that one of the serious shortcomings under Vladimir Meciar's government was that, from the viewpoint of diplomatic practice, official trips were not of the required standard. Moravcik stated that, throughout his term as prime minister, Meciar did not pay a single official visit to any country of the European Union [EU] because of the lack of an official invitation. In that sense, Moravcik's visit to France was the first official trip made by a Slovak prime minister to an EU country since the founding of the independent Slovak Republic.

According to Moravcik, the trips of the other Cabinet ministers can be positively evaluated as well. The level at which they are being received is higher than was the case of representatives of the previous cabinet.

Weiss Discusses Coalition Work, Differences

AU2806164394 Bratislava SME in Slovak 24 Jun 94 pp 1, 4

[Interview with Peter Weiss, chairman of the Party of the Democratic Left, by Robert Kotian and Maria Hluchanova; place and date not given: "It Seems, for the Moment, That the Present Coalition Will Continue"]

[Text] [SME] How satisfied are you with the functioning of the coalition government now that the first half of its term is over?

[Weiss] The coalition government is a certain experiment in Slovakia. Our most recent political tradition did not know this form of government before. From this viewpoint, it is good that we have made this experience, and not only for reasons of the development of political culture. It also means an enrichment for political entities, which are forced to build on what they have in common and not on what divides them. It requires the ability to talk and harmonize views. We have been successful in that so far, even if things were not ideal. When looking back at the 100 days of this government's work, I admit that, when we started, my worries were greater.

[SME] Before this coalition was formed, you operated as an opposition party. By taking control of some important economic government posts, you have been forced to "show" your cards, especially in the economic sphere. Do you think this was a benefit or a loss for the SDL [Party of the Democratic Left]? Views have appeared to the effect that, in some areas, you are pushing for overly "socialist" methods....

[Weiss] We decided to join the coalition after considering all domestic and foreign political factors. Being in power after spending four years in opposition also brings with it, apart from the possibility of influencing the course of the economy, for example, by one's own policy, certain negative aspects. In particular, we were taking over the heritage of the economic policy of three governments that we had criticized. It is possible that shortcomings with their roots in the previous period will be ascribed to this government. This showing of cards that you mentioned was, in my opinion, not only of domestic

political significance, but also of foreign political significance. For example, following the appearances by Deputy Prime Minister Brigita Schmognerova, no one can have any doubts about the SDL's attitude toward economic transformation. Quite the contrary, it is clear that we have our own ideas about transformation. Of course, there are differences of views with the other [coalition] parties regarding the timing of certain steps and their scope. For these reasons, being in opposition was easier.

[SME] You spoke about "accelerating transformation," which is not a typical SDL term.

[Weiss] I would like to know where you got this. If you carefully studied our documents at least once, you would never have been able to make such a statement.

[SME] I know your preelection program, about which we agreed with [SDL Deputy Chairman] Mr. Fogas that it is not a typical left-wing program....

[Weiss] I cannot agree with you. Economic realism cannot be passed off as a right-wing attitude. Our program was realistic. For example, all of our warnings regarding small-scale privatization have come true. Employees [of privatized businesses] have lost motivation, Dutch auctions [during which the price is bid down, if no buyer can be found for the calling price] have brought with them negative concomitant phenomena, privatization has been criminalized, the credit portfolios of many banks are burdened with credits that they were often forced to extend for political reasons, and so forth. What is right-wing about this SDL attitude toward small-scale privatization? It has simply been proved that we had more political realism than the then government. Economy is something objective. We want the inevitable changes to be carried out in the socially most acceptable manner.

[SME] Let us return to the coalition. What unites you, and what divides you?

[Weiss] There were several key factors. First of all, it was necessary to put an end to the protracted political crisis. We had a minority government for a long time. It was in a minority position through the fault of the Movement for a Democratic Slovakia [HZDS] and the Slovak National Party [SNS] because the parliamentary groups of these parties had broken up, and the ruling HZDS was unable to find permanent allies. The second factor that united us was interest in the stability of the constitutional system. Clear tendencies were making themselves felt toward a self-serving change of the constitutional system—away from the parliamentary system toward a presidential regime. This was to be achieved through the renewal of the balance of forces after the elections, by means of a referendum that was being prepared. The third thing that united us was the essential need to react to the frequently chaotic and improvised economic policy and to the fact that, in some areas, the transformation processes slowed down or ground to a halt. Fourth, it was necessary to change Slovakia's image abroad because we were drifting, literally, into political isolation. Of course, it was also inevitable to establish conditions for a solution to the minority issues and, thereby, meet the obligations assumed by the previous government on being admitted into the Council of Europe. Fifth, it was the perception of politics as politics of cooperation. We rejected a continuation of the policy of creating the image of an enemy, the policy of a permanent search for traitors and Judases, which is a residue of the deeply ingrained neo-Stalinist political culture or, rather, lack of culture.

What divides us? The very fact that this is a left-center-right coalition with different ideas on economic and social policy. There exist two instruments for overcoming these differences. The first is the government policy statement, which is a measure of compromise on programmatic issues that is acceptable to everyone. The second instrument is the Coalition Council, whose decisions are conditional on everyone's agreement.

[SME] In this context, we could mention the so-called screening law, [the amendment of] which probably will not pass, precisely because of this mechanism in the Coalition Council. Do you consider it normal that members of the government cannot defend themselves against accusations of cooperation with the [communist-era secret police] StB only because there is no one to issue screening certificates?

[Weiss] The screening law must be abolished because screenings have, from the very beginning, served as an instrument of dirty political struggle.

[SME] Yet the law exists. It is valid but, in reality, it is not being enforced. One possibility is to abolish it, the other to amend it.... The coalition has so far been unable to sort out this problem.

[Weiss] We were aware of our coalition partners' different views and were therefore ready to accept a solution that would not force any political partner to breach his election program. We proposed an amendment to the screening law, under which only those sections would remain in force regarding StB collaborators who were involved in the struggle against the so-called internal enemy. It is therein that I see the biggest moral burden requiring a solution. In other words, we proposed that people be exempted from this law who had to protect state secrets, for example, and the like. The coalition partners from the center grouping subscribed to a similar view. The idea of the Christian Democratic Movement [KDH] is that the screening law must be preserved. Each entity is simply bound to its voters, and, because no solution has been found, we will have to wait for one until after the elections.

[SME] However, the failure to resolve the situation could be regarded by voters as the coalition's defeat....

[Weiss] Why should we characterize it as defeat? I was convinced that we would find a way of amending the law that would be generally acceptable. The KDH refused to

accept an amendment, and, therefore, it is not within the powers of the coalition to resolve the issue of screenings.

[SME] What, in your opinion, is the most realistic model of a political grouping that will form the government after the elections?

[Weiss] That will be determined by the specific election results. It is generally true, however, that, when a continuation of the present coalition will be considered, there will be more time to prepare the government's programmatic aims and to deal with problems we have deliberately put aside during this term of office because of lack of time.

[SME] Apart from the model of the present coalition, is there any other scenario of government that the SDL would accept?

[Weiss] The government must be founded on a majority that will be capable of action and will enable laws to pass in parliament.

[SME] Is there a model that is absolutely unacceptable to the SDL?

[Weiss] In which sense absolutely unacceptable? There are at least four or five postelection scenarios....

[SME] Is some political entity unacceptable to you as a coalition partner?

[Weiss] A coalition alliance with nationalists and extremists of any kind is unacceptable to us. We realize, of course, that a certain programmatic proximity and respect are necessary for a coalition to be formed. Therefore, we can scarcely imagine coalition cooperation with those who want to break up their future coalition partner and straighten its leadership, with those who have a completely different understanding of politics and of the stability of the constitutional system.

[SME] Do you think those ideas correspond with the ideas of SDL members?

[Weiss] Seventy percent of our members have endorsed the decision of the SDL club of deputies to join the coalition. Our problem is not the attitude toward the policy of the previously ruling HZDS. Rather, it is the attitude toward the KDH that constitutes a problem, owing, on the one hand, to programmatic differences and, on the other, to the statements made by KDH representatives about the SDL, which are still vivid in our sympathizers' memories. Of course, a problem also rests in the support that this government gets from Coexistence and, more specifically, Mr. Duray, in view of some of his statements.

[SME] If we understood you correctly, you can scarcely imagine a coalition with the HZDS, judging from what you said. Whom are we supposed to understand by the terms "nationalists" and "extremists"?

[Weiss] As for nationalism, it is quite evident that this path has been embarked upon by the SNS and by a part of the Coexistence movement, which is actually the SNS's partner in this game. Extremists organized in political groupings, such as exist in Germany, for example, are fortunately nonexistent in Slovakia for the time being. I can say, however, that we cannot imagine cooperation with the Communist Party of Slovakia [KSS] because it is engaged in a policy that we have abandoned, and we do not want to return to the past. What is interesting in this context is the unanimity of views on some issues between the KSS and the HZDS, as presented, for example, in the daily REPUBLIKA.

Regarding the HZDS, I would like to say that it was, is, and will be differentiated. I do not lump all of the people from the HZDS together. There are groups in it that I know would never think of giving the Nazi salute in parliament [allusion to a recent incident in parliament, during which HZDS deputy Ivan Luptak greeted Ludovit Cernak, deputy chairman of parliament, who has black hair and wears a moustache, with "Heil Hitler"]. We would be able to imagine cooperation with those people. They regret themselves that the HZDS leadership did not sincerely try to cooperate [with other parliamentary parties]. Right now, I do not have the feeling, however, that the currents represented by these people have prevailed in the HZDS, also on the basis of the general style of HZDS policy and its ability to cooperate with others as true partners.

It seems, for the moment, that the present coalition will continue, provided all of the constituent entities get into parliament. Everything will be determined by the voters. Our coalition quatrefoil [reference to the "Left Choice," the SDL-led coalition of four left-wing parties and movements] naturally seeks to win the largest possible number of votes.

Two Hungarian Parties Sign Coalition Agreement

AU2806131494 Bratislava SLOVENSKY DENNIK in Slovak 25 Jun 94 p 2

[Article by "vg": "Talks With the Hungarian Civic Party Can Begin; Miklos Duray and Vojtech Bugar Signed Coalition Agreement Between Coexistence and the Hungarian Christian Democratic Movement"]

[Text] Bratislava—Miklos Duray, chairman of the Coexistence movement, and Vojtech Bugar, chairman of the Hungarian Christian Democratic Movement [MKDH], signed a coalition agreement yesterday. As Miklos Duray stated at a subsequent briefing, the aim of the coalition agreement is the formation of a political alliance that will be able, in a political struggle, to develop the law-governed state and strengthen democratic forces. The coalition partners agreed on close postelection cooperation in and outside parliament, as well as on the establishment of joint committees for the coordination of policies in the spheres of self-administration, economy,

and education. According to Vojtech Bugar, the agreement is a preparation for postelection scenarios and is designed to meet the expectations of Hungarian voters. The agreement is subject to ratification by the supreme bodies of both political entities. Both chairmen stressed that the political part of the agreement would be published in full, while the publication of its other parts, as well as the number of parliamentary clubs, will still be subject to talks.

As the MKDH chairman went on to say, the agreement provides for the possibility of another partner entering this coalition; talks on the possibility of expanding the coalition with the Hungarian Civic Party [MOS] opened yesterday. In the event of agreement with MOS, a new coalition agreement will be signed, which will also contain a section anchoring "very close cooperation. Such cooperation is necessary because we know that, during the two years of the Hungarian coalition's existence, there have been various attempts to break it up," the MKDH chairman added.

Responding to the demand of MOS Chairman L. Nagy for a 25-percent representation of his party on the common slate of candidates, as this corresponds to the number of "Hungarian" votes MOS won in the last elections, Vojtech Bugar said that proceeding from the results of two years ago was unthinkable. Miklos Duray even qualified this condition as ridiculous.

Hungarians Prefer Moderates to 'Radical' Duray

AU2806134194 Bratislava SLOVENSKY DENNIK in Slovak 25 Jun 94 p 2

[Article by "ze": "Vojtech Bugar in First Position"]

[Text] The editorial office of [Hungarian-language Slovak daily] UJ SZO asked its readers in which Hungarian politician in Slovakia they have the most confidence. According to the 1,153 responses received, the largest number of votes, 798, went to [Hungarian Christian Democratic Movement Chairman, MKDH] Vojtech Bugar. [Chairman of the MKDH parliamentary group] Pal Csaky was second, with 683 votes; [Coexistence Deputy Chairman] Arpad Duka-Zolyomi third, with 492 votes; [Coexistence Chairman] Miklos Duray fourth, with 357 votes; and [Hungarian Civic Party, MOS, Chairman] Laszlo Nagy fifth, with 257 readers' votes. Similarly, the MKDH received from the readers of the Hungarian-language daily 533 votes; Coexistence was second, with 380 votes, and MOS third, with 231. The editorial team does not claim that the survey was representative. Nonetheless, it is interesting and, for the uninitiated, perhaps even surprising that Miklos Duray finished only in fourth place and was even overtaken by his party colleague Arpad Duka-Zolyomi. Vojtech Bugar's popularity is the result of his politically prudent decisions. When we consider that it is the result of a longer-term trend, it also signals that our Hungarian fellow citizens prefer a realistic policy to a radical one.

Slovak, Hungarian Views on Minority Rights

AU2806131394 Bratislava NARODNA OBRODA in Slovak 25 Jun 94 p 3

[Article by Zora Butorova of the FOCUS research agency: "Moderate Decline of Tension: Slovaks and Hungarians in Sociological Surveys"]

[Text] There is a wide gap between the views of citizens of Slovak and Hungarian ethnic origin on the position and rights of the Hungarian minority. Whereas two-thirds of Slovaks consider the conditions for the development of the Hungarian minority generally favorable, and almost one-third even consider the Hungarian minority to be preferred, more than one-half of the Hungarian minority assess their rights and conditions for development as limited, and only less than one-half consider them favorable. The distribution of views is similar to that ascertained in fall 1993.

Tension in Slovak-Hungarian relations has declined over the past few months. Whereas, in October 1993, 40 percent of the citizens of Slovakia (41 percent among Slovaks and 34 percent among ethnic Hungarians) were afraid of a violent solution to the disputes between Slovaks and Hungarians in southern Slovakia, in May 1994, only 28 percent of respondents (30 percent among Slovaks and 11 percent among Hungarians) considered this danger realistic.

Among citizens of Slovak nationality, one can discern a slight increase in accommodating attitudes toward Hungarians. The proportion of Slovaks who believe that members of the Hungarian minority are less concerned about Slovakia's well-being than Slovaks declined from 56 percent in October 1993 to 47 percent in May 1994. At the same time, there has been a slight increase in the acceptance of the demand for bilingualism among Slovaks. The minority's demand to write Christian names and surnames in the native language is now encountering somewhat greater understanding among citizens of Slovak nationality. Similar to the entire past four years, tolerant and accommodating attitudes of Slovaks toward Hungarians can be encountered more frequently in ethnically mixed regions than in purely Slovak regions.

Conditions for the Development of the Hungarian Minority in Slovakia (Views of Slovaks and Hungarians—FOCUS, May 1994)

	Slovaks	Hungarians
Conditions are limited	2	57
Conditions are favorable	67	43
Hungarian minority is preferred	31	0

Do You Consider the Demand for Bilingual Names [of Communities] Justified? (Percentage of Slovaks Who Fully or Partially Agree—FOCUS, May 1994)	
Respondents in districts in which ethnic Hungarians make up under 1 percent of the population	45
Respondents in districts in which ethnic Hungarians make up between 2 and 19 percent of the population	54
Respondents in districts in which ethnic Hungarians make up between 20 and 49 percent of the population	62
Respondents in districts in which ethnic Hungarians make up more than 50 percent of the population	63

Approval of Double Taxation Accord With Poland

LD2806163894 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 28 Jun 94

[Excerpts] Today's Cabinet meeting opened with the approval of the parliamentary bill on employment. This regular, 17th meeting of the Cabinet is being headed by Prime Minister Jozef Moravcik. Here is a report on the results of the meeting so far, by our editor Anna Samelova, who is in the government building.

[Samelova] [passage omitted] The Cabinet was mainly concerned with foreign relations issues. It approved the draft agreement with the Polish Republic on the prevention of double taxation in the area of income and property tax. [passage omitted]

Russian Debt Said Linked to Czech-Slovak Accord

LD2706141294 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 27 Jun 94

[Excerpts] Evidently, our economic relations with Russia are of key importance. It is therefore paradoxical that, until last week, we had not had one of the basic economic agreements, which is the agreement on double taxation with this country. [passage omitted] However, the media were more interested in the signing of another agreement—on solving the former Soviet Union and Russia's debt to the Slovak Republic. Our colleague Milan Velecky discusses this subject with Deputy Prime Minister Brigita Snegnerova.

[Begin recording] [Velecky] Madam deputy prime minister, on 22 June, the government disagreed with the agreement on solving the former Soviet Union and Russia's debts to the Slovak Republic. (Subsequently) the state secretary at the Finance Ministry signed the agreement in Moscow. You headed the Slovak delegation at the Moscow talks. What had changed within those 48 hours?

[Snegnerova] I think that we have achieved a very acceptable solution after our negotiations. The Russian side made a commitment to resolve the question of the total amount of $385 million, representing the overall amount owed by Russian companies to the former Czechoslovak enterprises, meaning Czech and Slovak companies, only after commitments toward Czech and Slovak companies are clarified. This means that the part of the agreement signed by the Czech side concerning the amounts owed by Russian companies to Czech companies will not be applied for the time being.

At the same time, Slovak Prime Minister Jozef Moravcik is sending a note to Russian Prime Minister Viktor Chernomyrdin drawing his attention to the method of signing the agreement with the Czech Republic and stating that the amount of $330 million represents the alleged debts of Russian companies to Czech ones.

[Velecky] The Czech side claims this amount is inserted for guidance purposes only and does not exclude further negotiations about the overall amount. Will there be similar negotiations between the Czech and Slovak sides?

[Snegnerova] Of course, it is inevitable. On the basis of the way we reached this agreement, both the Slovak and the Czech sides will be equally interested in starting these negotiations as soon as possible.

[Velecky] We should have already received more than $1.5 billion.. This is the amount the Russian side acknowledged as its debt to Slovakia. How realistic is the hope that we will get it, and in what form is this debt going to be paid?

[Snegnerova] On the bais of the decision of the Paris Club, Russia can postpone paying the capital of its loan till the end of this millennium. [passage omitted]

However, Russia will be paying its interest obligations, and that is why we tried to speed up the signing of this agreement. Part of this payment of interest will begin to be counted only after the signing of this agreement. [passage omitted] [end recording]

Goncz Addresses New National Assembly

LD2806114694 Budapest Kossuth Radio Network in Hungarian 0808 GMT 28 Jun 94

[Speech by President Arpad Goncz to a session of the new National Assembly in Budapest—live]

[Text] Esteemed House, my dear friends: I respectfully welcome you, the freely and democratically elected deputies of the new Hungarian Republic's second National Assembly.

First, let me point out with praise—I hope that you agree—that the indisputable fact that the 1994 parliamentary elections were held on time, in a fair manner and, as regards its implementation, faultlessly and smoothly, proves the strength and maturity of our democracy. The high turnout in the two rounds proves our nation's interest in the shaping of its own fate and a resolute intent and consciousness in expressing its political opinion. Grateful acknowledgments are due to all the voters, the leaders and the parties' parliamentary candidates who took part in the elections, the leaders of the National Election Committee, which organized the elections—and by name, particularly Dr. Prof. Janos Nemeth—and its members, all leaders and members of the local election committees, the National Election Office, which prepared the elections—by name, Zoltan Toth and Dr. Ilona Palfy—and their excellent colleagues, all staff of the Ministry of Interior and of the local governments who took part in the election work, and all those thousands of voluntary workers without the generous contribution of whom we would not be able to sit here today.

Let me also thank the six parliamentary parties' designated deputies for the series of talks, which was completed within a short time and which required mutual good will and flexibility, with which they prepared today's founding session, together with the expert support of the National Assembly's secretary general's office and the National Assembly's office. I feel that this series of talks projects the new National Assembly's resolute work style, which is expected to be ready for interparty coordination.

The National Assembly is our country's highest constitutional body which is answerable to the people of the country—and let me add, to the future of the country—for its legislative work. It performs its work under the nation's eye and hearing; and what it passes determines our daily life. Its base is the past, its test is the present, and its judge is the future. Voters pass judgment on it every day, even though they will express their collective opinion only in four years' time, at the next elections.

No one can cast doubt on the legitimacy of your work. However, you have to fight for its recognition day by day during the debates with your words and votes. It depends on you how the citizens of the country—Hungarians and non-Hungarians—pass judgment on the functioning of our democracy. And not only our country's citizens, but Hungarians throughout the world, our compatriots living beyond the borders, who are not linked to us by legal ties, but by the past, the common language and culture, as well as by the millions of threads of a common fate and by their vital interests.

I ask you not to forget for a second that the legislative work and responsibility of the National Assembly do not raise you above the country, society, but oblige you to serve it. The whole of the National Assembly and each of its members are undissoluble members of society. Although it shapes society unceasingly, at the same time it changes, itself, and it is a mirror of society. Although most of the National Assembly's legislative work is embodied in legal form, in everyday life it turns into human and economic relations. What directly follows from this is that an indispensable tool and real breeding ground in your daily work is the thorough knowledge of the unmasked social reality. No ideology can substitute this.

It is not my task to sum up or simply to try and refer to the experiences of the four-years' work of the previous National Assembly. I will not answer the question, which keeps being raised, whether the nation voted for or against something. However, I can safely say that it voted for a future it expects to come, and that it wants to look forward to a certain, predictable and peaceful future. As soon as possible. A future, which takes it ahead in time, not back. It is ready to bring over to its future as much from the past—any past—as is necessary to make the future more stable, in a social and economic sense, in accordance with its moral value judgment.

The natural wisdom of the nation demands social justice, sober equality of opportunities; it does not expect miracles or wait for plums to fall into its mouth. However, what it expects is palpable good intention, true words, dialogue, a say in the fate of property and fairness in public life. You can be sure that the nation will recognize this, or the opposite of this, in words, in ink or on screen.

My recent discussions with the leaders of the six parliamentary parties and the tough debates and the outcome of the coalition negotiations convinced me that both the future government coalition and the future opposition parties are well aware of the country's problems, our tasks, which are not easy, and they form a similar opinion of the priorities of the National Assembly's tasks. Thus, they are ready for a fruitful dialogue and for constructive debates and cooperation.

Finally, I ask God to bless the work of the National Assembly. From my heart I wish, for all members of the House, that what they do as parliamentary deputies should turn to the advantage of our country, even when measured by the strictest judgment of their conscience.

Assembly Speaker Views Law on Former Agents

LD2906084394 Budapest Kossuth Radio Network in Hungarian 0500 GMT 29 Jun 94

[Excerpts] Dear listeners, our guest is Zoltan Gal, new speaker of the Hungarian National Assembly. [passage omitted] We have received several phone calls. One of the callers asked about the law on former agents.

[Gal] I cannot say just now. The fact is that the law will become effective from 1 July, but in my view it will be impossible to implement because the parliamentary committee elected by the previous parliament is not sufficient to start work, since the law prescribes more than one committee. Nor do I know when this parliament will have the time to select further committees—after a due selection process. This is one side of the issue.

However, another reason why we should not hurry in this matter is that I am convinced this law is unconstitutional and, in practice, unworkable. It would be best if the Constitutional Court could rule on this question as soon as possible—as far as I know the law has been referred to the Constitutional Court—because its ruling will be significant in resolving this situation.

Ministers-Designate View Most Urgent Tasks

AU2806182394 Budapest NEPSZABADSAG in Hungarian 28 Jun 94 p 7

[Report by Zoltan Gal, Tibor J. Keri, and Attila Zsoldos: "Ministerial Plans From Bekesi, Through Keleti, to Kuncze"]

[Text] At today's founding session of parliament, Gyula Horn, prime minister-designate of the Hungarian Socialist Party [MSZP], is expected to receive instructions from President Arpad Goncz to form a government. As a result of the coalition agreement, the members of the new government have become known. We interviewed the future ministers on their plans.

Finance Minister Designate Laszlo Bekesi would first like to gain an accurate view of the current balance of payments, the situation of state finances, the payment obligations to run into the second half of the year, and the projected revenues. It can be stated with great certainty that, after the snapshot inventory, the financial processes for 1994 will have to be corrected regarding both the budget and the exchange rate and interest rate policy, Bekesi said. As an example, he mentioned the promise of an 8 percent increase of pensions for which the funds have not yet been found.

Bela Katona, the expected person for the position of minister without portfolio supervising the civilian secret services, did not accept his nomination easily. He said he had to assess the political weight and confidential nature of this position. After gathering information in his new position, Katona sees putting the employees of the office at ease as his most important task: There will not be any kind of major clean-up. He stressed that there will be no dismissals even under the heading of reorganization because they would like, by all means, to keep the experts in the services.

Katona wishes to "lobby" the government so that the services receive the necessary budgetary support. He also strives to make the public aware that the secret services operate in the interests of the country.

According to Laszlo Kovacs, the foreign minister designate of the new government, the main directions of Hungarian foreign policy will not change in the future, either. These are integration with Europe, gaining full European Union membership as a result of a longer process; making peace with our neighbors, Slovakia, Romania, and the Yugoslav Federation; and support for Hungarian minorities over the border in the interest of their rights becoming recognized in accordance with European norms. He added that none of the three directions will be subordinated to the other. He added that foreign political thinking will change in the sense that it will be based solely on rational elements: On Hungary's circumstances, interests, and on coordinating the interests of Hungary and the partner countries, rather than on a historical sense of mission, the injuries suffered in the historical past, or ideological sympathies and antipathies, he said. Talking about Hungarian-Russian relations, he said that they are very important for us because Russia is the region's biggest power.

In connection with the Foreign Ministry's staffing, he said that a good quality foreign policy planning and analysis department should be reestablished in the Ministry. At the same time, Kovacs would like to put the diplomatic service members at ease: He wants to rely on all experts, regardless of when and why they entered the foreign service. "I will not examine whether the members were placed in their positions because of being a former school mate, relative, or friend of someone three years ago; if their professional and human qualities make them suitable to perform their tasks, then I expect them to remain in their jobs," Kovacs said. At the same time, he added that those ambassadors who were on the Hungarian Democratic Forum's list at the elections will themselves have to carry the consequences.

According to Gyorgy Keleti, the MSZP's defense minister designate, the most important task of the initial period is to set up an expert committee. This body would assess the army's situation, the combat-readiness of the various army units, and the living conditions of the regular staff. Parallel to this, the army's budget will also have to be examined because, according to some information, the army might become insolvent by autumn, and this has to be avoided by all means, Keleti said. In his view, a crisis-management program has to be drawn up within a very short time, and they have to to begin to establish a rational army structure. In Keleti's view, the decree ordering the merger of the Ministry and the army's command has to be withdrawn. The deadlines prescribed in this decree cannot be adhered to, and it

also has to be decided whether the Defense Ministry and the army's command need to be merged, he said.

For Justice Minister Designate Pal Vastagh, the coalition agreement determines his tasks for the near future. He has to draw up a law on legislation that lays down a more professional and better-founded responsibility of legislation. The law on ministerial responsibility will have to be completed this year, and the coalition agreement also has tight deadlines for drawing up a constitution. Vastagh believes it important and urgent to confirm judicial independence, and to set up the National Judiciary Council. "I would like the Ministry to be a government-level intellectual center for legislation and codification," Vastagh said.

Mrs. Kosa Magda Kovacs, the labor affairs minister of the new government, said that the Ministry's basic task is to care for the unemployed and to improve the situation of people seeking jobs for the first time. The Ministry will have to try to help the unemployed find jobs. In the interest of this, the ministries will have to review the employment consequences of their own decisions every year. The minister designate emphasized that the two coalition parties do not have any differences of opinion on the need for an economic and social agreement. According to Mrs. Kosa, the trade unions, employees, and other organizations will have to be involved in the conciliation process.

Future environmental protection and area development minister Ferenc Baja sees the drawing up of the environmental protection law as his first task, and he considers professional and political consensus necessary for it to be accepted. He said that the overlaps in the ministries' tasks have to be clarified, he mentioned water affairs and forestry as examples. On 25 June, Baja met representatives of the Green organizations. So far, Baja has mainly gained professional experience in area development but, according to him, confidence was established at the meeting, which provides the opportunity for cooperation with the environmentalist organizations. The Green movements see Political State Secretary Designate Katalin Szili as a recognized expert, and they appreciate that Baja, as deputy chairman of the MSZP, might be able to gain more room for maneuver in the government for the Environmental Ministry. "They expect me to use my political influence to the benefit of environmental protection, and this is what I will do," he said.

Industry and Trade Minister Designate Laszlo Pal's ministry will be formed from the merger of the Ministry of International Economic Relations, the National Technical Development Committee, and the Industry Ministry. Pal has set two goals for himself: To improve industry's ability to export, and to improve the country's export market positions toward the East and the West. He said that the predecessors left the energy prices to be settled by the new government. In order to secure the future of energy supplies in Hungary, the prices will have to be increased. However, such measures will only be brought by the government if the most needy people get compensated.

According to Welfare Minister Designate Pal Kovacs, his first tasks are to improve the situation of hospitals on the brink of bankruptcy, and to change the system of hospital referrals of patients. The government has to come to an agreement with the social security fund on the transfer of assets and the issue of pensions. The sections of the welfare law that exclude precisely the poorest people from the provisions will also have to be amended. Kovacs would like to extend the child-rearing allowance and make it a basic citizens' right. "I would like a ministry with a simpler structure, where medical expertise is not the only factor and which has a bigger influence in society and within the government," Kovacs said.

Laszlo Lakos, agricultural minister designate of the Horn government, said that they have already agreed on the most important tasks with the coalition partner. First of all, producers have to be assisted in selling the expected high grain yields and, together with this, the establishment of financial resources for the autumn soil preparation and sowing jobs is also an urgent task. Amending the laws on cooperatives, the Agrarian Chamber, and the operation of the land-issuing committees is a legislative task. "We would like to gain the trust of producers and agricultural intellectuals by establishing a predictable support system and market environment," Lakos said. In his view, the Agricultural Ministry has to serve the interests of the agricultural lobby rather than party interests.

Interior Minister Designate Gabor Kuncze said that his first task after taking office will be preparing the amendment of the law on local governments. This is the most urgent task because the local government elections are to be held in the autumn. In this area, issues in connection with the direct election of mayors, the rights and spheres of authority of the mayor, the town clerk, and the panel of deputies, and the legal rules of directly electing the county bodies will have to be settled without delay. Submitting the police's service law is another task that cannot be delayed. The only question is, he said, whether this can be done within the framework of the unified regulation of the armed forces. If this cannot be done within a short time, then the police's service law has to be submitted to Parliament separately.

Kuncze met [Interior Minister] Imre Konya in the Interior Ministry and they prepared a list of the issues to be handed over. They agreed that the minister still in office will give notice to his colleagues in the cabinet who are in confidential positions. However, the leader of the cabinet will, for a short while, assist the new minister in taking over the current issues after he takes office.

Goncz Relieves Administrative Officials

LD2906043094 Budapest Kossuth Radio Network in Hungarian 1600 GMT 28 Jun 94

[Text] At the request of Peter Boross, President of the Republic Arpad Goncz has relieved the administrative state secretaries at the Ministries of Defense and Foreign Affairs and at the Prime Minister's Office. Rudolf Joo [administrative state secretary at the Ministry of Defense], will depart in the middle of July, Janos Martonyi [administrative state secretary at the Ministry of Foreign Affairs] will leave at the end of August, while Jozsef Kajdi [administrative state secretary at the Prime Minister's Office] will vacate his office on 10 July.

Defense Ministry Officials Relieved of Posts

LD2906043694 Budapest Kossuth Radio Network in Hungarian 2000 GMT 28 Jun 94

[Text] Minister of Defense Lajos Fur and Laszlo Szendrei, political state secretary at the Ministry of Defense, have said farewell to leaders of the Ministry of Defense and the Hungarian Army at a staff meeting.

At the meeting Army Commander Janos Deak, speaking about the new leadership, expounded the view that all arrivals who take up the cause of defense would be accepted at the ministry. It was also announced that Zoltan Pecze, deputy state secretary at the Ministry of Defense, would be relieved from his post, effective the middle of July.

Csaba Hende, state secretary at Prime Minister's Office, and Laszlo Szoeke, head of the Rehabilitation Office, have also been relieved from their posts, effective mid-July. They have all waived their claim to the lump sum payment to which they are eligible in accordance with the law on civil servants.

Bekesi's Views on Coalition, Economy Examined

94CH0307C Budapest NEPSZABADSAG in Hungarian 3 Jun 94 p 17

[Article by Katalin Bossanyi: "Bekesi's Battles"]

[Text] Laszlo Bekesi is a very good economist. In addition, he has a sense of humor and a healthy dose of cynicism, which are necessary to make life tolerable. Now he has also demonstrated that he is not motivated by ambitions of high office and considerations of personal prestige. Lately he has declared repeatedly that he would prefer to stay out of the future government if it is not a coalitional one. For only with such wider social support does he see any chance for the realization of the MSZP's [Hungarian Socialist Party's] economic program—and let us add immediately: at least to the same extent, for the realization of the SZDSZ [Alliance of Free Democrats] economic program as well.

That is a very honorable position of principle. But, in the opinion of many people, it is not good politics. After all, the MSZP and the SZDSZ will be making their final decision only this weekend on whether to start coalition talks and, if so, with whom. The government program, including its economic conceptual plan, will be the decisive element in the negotiations, and the subsequent bargaining over organizations and appointments will follow from it. But it does not seem to be a good tactical solution to make public in advance that one is not in the running. Moreover, it smacks a bit of blackmail, just as Balint Magyar's much publicized declaration did earlier. That is why many people, both within and outside the MSZP, tend to regard Bekesi's move as desertion.

I believe that Bekesi's present, kamikaze-like move deserves to be judged on the basis of its local worth. That is why I am inclined to regard the renowned economist's statement as a warning cry of danger, rather than a selfish excuse.

The persons to whom this warning cry is being addressed can be found in the leadership and among the rank and file of the Free Democrats, as well as of the Socialists. For what was Laszlo Bekesi's actual "message"? That the economy cannot be stabilized without a coalition.

That is plain speech. For the point here is not who gets which post or what the relationship between the two parties will be. It is the state of the economy today and tomorrow—or to make it more readily understandable, the future of each and every one of us. Of course, we might be skeptical of anyone who cites a wider horizon of interests in support of his case. But insincere pathos is not typical of the renowned economist. He does not want to use the people as an excuse or to reason in their stead, because he believes that not even the ample vote the MSZP received empowers it to do so. He presumably recognized long ago that the people are unwilling to simply accept further fiscal restraint, curtailment of demand, or the social sphere's direct exposure to market forces. They are willing to tolerate such necessary measures only if they get something in exchange. For instance, controllable guarantees for the reconciliation of interests, and some compensation for the most vulnerable social groups. With a large degree of simplification, that is Bekesi's economic program. It is neither liberal nor a collection of social solutions. Instead, it is crisis management based on harsh reality. Specifically in the interest of maintaining social peace, however, the program would (socially) cushion to some extent the impact of painful economic measures. That would not yet make the program more popular, but merely more tolerable.

It could be argued, of course, that Bekesi has not assessed the situation correctly; that the state of the economy is not so ominous, and therefore there is also a softer, easier, and socially more tolerable way of putting the economy in order than what Bekesi is offering. But not even Bekesi's opponents are resorting to this argument. Today the outgoing finance minister already admits that he has confidence in Bekesi. And the SZDSZ program for crisis management, discounting minor differences,

urges the same solutions as "the program hallmarked with Bekesi's name." Consequently, if the SZDSZ refuses to join the coalition and rejects economic cooperation with the MSZP, then it also refuses to accept responsibility for the realization of its own economic conceptual plan (either because it has no confidence in the plan's success or is afraid of its consequences). This is what the Socialists' leading economist is calling to the Free Democrats' attention now, before the decision that is to be made this weekend.

And how can Bekesi's message be decoded within his own party?

My interpretation of the message is as follows: Bekesi does not fear that, if there should be no coalition in spite of everything, the MSZP would come under the influence of Sandor Nagy. A deal could be struck with the trade union leader; after all, the chairman of the MSZOSZ [National Federation of Hungarian Trade Unions] is a political realist. But Bekesi does fear—and not without cause—that, under one-party rule, a government of technocrats would not evolve. Several well-known economists, who could come into consideration, have already indicated that they would be willing to accept public office only if there is a coalition. Their motives are similar to Bekesi's: Crisis management requires the widest possible public support. Under a shaky government it would not be possible to implement long-overdue reforms that cannot be delayed any longer. And if the team were recruited from the "second string," or perhaps from truly "old cadres," the government could wobble along for a time, but the economy's decline could not be stopped, and an MSZP government would travel essentially the same road as the failed MDF [Hungarian Democratic Forum].

I fully understand that the economic expert does not wish to assist in this. And if the SZDSZ refuses to shoulder the responsibility of government, then I agree with his decision. Even in the economy, the coming years will not be the era of solitary heroes. What we need now is teamwork. Within the framework of a coalition. Under well-balanced conditions, in other words.

Statistics Show Drop in Unemployment in May

AU2806073894 Budapest UJ MAGYARORSZAG in Hungarian 27 Jun 94 p 5

[Text] The number of registered unemployed continued to fall in May. This transpires from the statistics published by the National Labor Affairs Center. The district centers registered 570,600 unemployed in the fifth month of 1994, some 22,000 fewer than in April 1994. Thus, unemployment fell to 11.4 percent from the 11.8 percent in April.

The number of registered unemployed has been steadily falling for more than a year, and the latest fall was the biggest so far. According to the Center's statistics, there were 100,000 more unemployed in May 1993 than in May 1994. Together with the newly registered people starting their careers, the Center registered 33,400 new unemployed in May; at the same time, 55,600 people were taken off the unemployment list. Like the national trend, unemployed fell in the counties too. The fall in unemployment even exceeded 5 percent in the Veszprem, Somogy, Borsod-Abauj-Zemplen, Heves, and Zala counties. The smallest fall in unemployment occurred in the Szabolcs-Szatmar-Bereg and Fejer counties, and in Budapest.

Demand for manpower increased by 4 percent compared with April, with employers offering 70,800 jobs in May 1994. Job opportunities increased in the construction industry but continued to fall in the agricultural sector and in industry, and did not change in the other sectors. A total of 74 economic units announced in May that they were planning lay-offs, affecting a total of 4,240 jobs. This is 40 percent fewer than the forecasts made in April. Together with the predictions made in previous months, a total of 24,000 employees are expected to lose their jobs in the near future.

A total of 230,300 people were receiving unemployment benefit at the end of May 1994; the non-social form of this benefit was used by 279,000 people in May. According to the data from the last day, 20 May, there were 149,000 unemployed who were not receiving any kind of unemployment benefit.

The total average sum of unemployment benefit and support for people beginning their career stood at 10,658 forints in May. Some 48.7 percent of the unemployed were receiving less than 9,000 forints.

Failures of State Farm Privatization Viewed

94CH0309C Budapest NEPSZABADSAG in Hungarian 3 Jun 94 p 19

[Unattributed article: "Permanent State Assets"]

[Text] Regardless of how hard the government tried to privatize them, the state farms have failed to attract investors. New nameplates have been installed. Behind the appealing corporate names, however, the state remains the owner. While the fertile Hungarian soil failed to impress the anticipated investors, the state farms have been losing their assets continually and at a fast rate.

Years ago, 121 state farms were being considered for privatization. The government decided at the time that 26 of the state farms would remain permanently state-owned. (Primarily the preservation and development of biological stocks were the justification for this decision.) The rest of the state farms were to be privatized. State-farm managers, many of whom have been replaced in the meantime, prepared plans for transforming the state farms into corporations, and the State Property Agency [AVU] decided that their transformation was to be completed by December 1992. That in itself would not have meant privatization, but even the simple changing of nameplates failed to take place.

Experts were not surprised by the delay. For, according to the government's decision, the state farms were to be sold off in the course of so-called decentralized privatization. Simply stated, it meant that the state farms were to be split up into viable units, which would then be offered for sale. But there was no rush of prospective buyers. The primary reason for their lack of interest was that agriculture had been a declining branch of the economy for years, and therefore the new owners could not even hope to make a profit. Those who were the least bit confident of success were deterred by uncertainties regarding title to the land, and by the protracted settlement of compensation claims.

The government quickly corrected the situation. The deadline for transforming state farms into corporations was extended until 30 June 1993. In a legal sense, this program has been a success in that the management of every state farm was obliged to prepare, by the end of December 1993, all the documents necessary for retroactive incorporation.

The letterheads on the farms' stationery and the nameplates on the facades of the farms' office buildings attest to the state farms' transformation into corporations. But economic reality reveals something entirely different. Under decentralized privatization, 30 billion forints' [Ft] worth of assets were offered for sale, but only Ft15 billion worth have actually been transferred to new owners. Before the state farms' transformation into corporations, the book value of their assets totaled Ft93 billion, but only 47 percent of that amount is so-called subscribed capital.

According to a report reflecting the situation at the end of March, 98 of the 121 state farms have been transformed into corporations, 16 are in liquidation, and seven are in the distribution-of-assets stage. Among the state farms that have been transformed into corporations, seven are owned by domestic entrepreneurs and two are owned by German investors. The state farms' combined total capital stock is Ft76 billion, of which about Ft5 billion is privately owned. Thus the state continues to hold most of the capital stock.

The government has attempted once again to stimulate the farms' lagging privatization. The shares left in the AVU's portfolio are being put out to public tender; they can now be bought also for compensation notes; and enterprising agricultural workers also are able to buy shares.

There are several reason why no rush to buy shares can be expected. The farmland's future remains uncertain because of the slow processing of compensation claims, and it would be very amateurish to start raising livestock without any land. Agricultural workers are being deterred from buying shares presumably because they know very well that they cannot expect any dividend payments in the near future, and their small percentage of equity is not enough even to guarantee them their jobs. To add to the contradictions, it is common knowledge that agriculture in our country is not a sector in which tycoons invest, and that the rate of return on invested capital is slow even under favorable economic conditions. The paucity of capital could be bridged with loans, but then only the investors' grandchildren could hope to realize the profit.

The most spectacular contradiction in the privatization of state farms is that the decisionmakers were guided by political slogans, and they failed to take into consideration that investors count their forints.

U.S. Said To Oppose Bill on Military Aid

WS2906083394 Warsaw ZYCIE WARSZAWY in Polish 29 Jun 94 p 1

[Article by Tomasz Wroblewski from Washington: "United States: There Will Be No Military Assistance to Poland"]

[Text] Two weeks before President Clinton's visit to Warsaw, the U.S. Administration decided to object to a law that was supposed to speed up Poland's joining NATO.

According to the draft law (written by Paul Simon of the Democratic Party and Hank Brown of the Republican Party), Poland, the Czech Republic, and Hungary were supposed to be included on the list of countries that would be able to receive surplus U.S. defense equipment. Within the framework of special cooperation programs, the Polish Army would be able to lease U.S. military equipment, draw upon U.S. expertise, and gradually change its equipment to make it conform to NATO standards. The draft law also envisioned the signing of agreements, using the agreement with Korea as a model, concerning rapid supplies of aerial weapons.

Senators Simon and Brown have expressed their hope that the law will speed up Poland's integration into NATO. In a conversation with ZYCIE WARSZAWY yesterday, Brown's press spokesman confirmed that the Department of State took a negative position on the draft law in this form. The White House declined comment.

Defense Minister Kolodziejczyk Interviewed

On NATO Exercises, Russia

WS2906094594 Warsaw Radio Zet in Polish 0615 GMT 28 Jun 94

[Interview with Defense Minister Piotr Kolodziejczyk, admiral in the Reserves, by Andrzej Woyciechowski at the Radio Zet studio in Warsaw on the "Guest of Radio Zet" program—live]

[Excerpt] [passage omitted] [Woyciechowski] Foreign language skills among our troops will soon prove useful—that is to say, during joint maneuvers, among others, during the joint exercises between the Polish Army and NATO. Is it true that they will take place in September?

[Kolodziejczyk] Yes, I hope so. We are in the midst of working out the details of the exercises along with NATO officials. They will take place during the first 20 days or so of September.

[Woyciechowski] Can you say where they will take place, in what region of the country, or is that a military secret?

[Kolodziejczyk] No, it is not a military secret. By the way, we will make efforts for the public to know quite a lot about the nature of these exercises, about their participants, about events taking place there, but the final decision has not yet been made....

[Woyciechowski, interrupting] Who will come from NATO? Will they be just generals and officers, or ordinary soldiers as well?

[Kolodziejczyk] There will also be so-called fundamental subdivisions: platoons and companies. We still do not know how many countries will send troops, but we do intend to invite observers to these exercises, which means all of our neighbors must definitely be here, as well as volunteers from among those who have declared their willingness to participate in Partnership for Peace. We simply think that the process of building mutual trust is [hesitating] a very crucial thing at this stage, and we want to demonstrate our exercises for the sake of peace and demonstrate that we want to learn the standards and procedures that are in effect in NATO. We want to establish rapid-deployment forces for the sake of prevention and maintaining peace and...

[Woyciechowski, interrupting] But, General—I am sorry, I mean Admiral—could you speak a little more about the exercises? They will be the first landing operation—it is just a figure of speech—by NATO in Poland. So my question is: Will NATO troops be seen around? Will U.S. soldiers be running around fields in rural areas? Will we see tanks....

[Kolodziejczyk, interrupting] Well, not exactly.

[Woyciechowski] Or perhaps the military will be the only one to see anything like that?

[Kolodziejczyk] To make a long story short: This will be the first instance of an exercise within the Partnership for Peace because, by that time, we will have signed an individually negotiated partnership program. Still, this will not be our first experience of that type since, for a few years now, we have been conducting joint training sessions. This year, we will have the joint exercises. Not so long ago, our mountain riflemen returned from the French Alps with a great many memories of their time there. We have also trained British and Dutch soldiers here in Poland. We will also take part ourselves in very large-scale peacekeeping [preceding word in English] exercises in the Netherlands, but....

[Woyciechowski, interrupting] What is that?

[Kolodziejczyk] Peacekeeping [preceding word in English] is about having forces for the maintenance of peace, about preparing [words indistinct] for peacekeeping operations. It is a very important element when you think about how unstable the world continues to be and how many dangers... [Kolodziejczyk pauses] I do not even mention Yugoslavia because everybody knows about that part of the world, and everybody laments that the peacekeeping operations there are not efficient enough. Now, one of the goals of these exercises [with NATO] is to search for ways of improving efficiency.

Still, the thing is that the issue is not up to the Army but up to the appropriate provisions of international law.

[Woyciechowski] Let us talk for a moment about the Individual Partnership Program. You said the negotiations are about to end and the program will be finalized soon. Will it be made public in its entirety? Will all that be made public [words indistinct]?

[Kolodziejczyk] I think that, if one were to publish the program in its entirety, it would be an extremely boring document because, apart from the political preamble, which, by the way, is very short indeed, it is slightly over one page long, and, in it, I can reveal some secret here by saying that some formulations were included there that are very beneficial to us; we have made very strong efforts for that, and they were indeed included in the preamble. Now, when it comes to the entire remainder of the program, it consists of a compilation of tables that implement a gradual harmonization in a step-by-step way, and they include very specific measures in many different areas, beginning with....

[Woyciechowski, interrupting] Let us explain it to our listeners: The minister means the measures that aim at our integration into NATO.

[Kolodziejczyk] Exactly.

[Woyciechowski] Are they very [word indistinct] and very military items?

[Kolodziejczyk] Yes, exactly. You are exactly right. The items cover integration of communications systems, unification of procedures, which, after all, were different, tactical signs, maps, exercises with maps, computer exercises, the command language, and a whole range of great undertakings [words indistinct].

[Woyciechowski] My understanding is that it is a very detailed time schedule that begins in the so-called Year or Month Zero, and when is the final date in the time schedule, Admiral? What is the final deadline?

[Kolodziejczyk] The schedule will be of a gradual nature. Over the years, we will be giving up those undertakings we deem...

[Woyciechowski, interrupting] But can one see an end? In other words, to put it in different words [words indistinct]...?

[Kolodziejczyk, interrupting] No, one cannot see an end because, up to now, no criteria have been defined that have to be met by countries to be included in the NATO family. We are making intensive efforts for that sake, and I hope that, in the near future, such criteria will indeed be defined. At any rate, we will be making intensive efforts for that sake because, as has been said on many occasions, our strategic goal is to integrate into the European security system; we want to be an active participant in that system, and we will do everything possible for the road to be as short as possible.

[Woyciechowski] Do you mean the European security system or NATO?

[Kolodziejczyk] You know, NATO has become quite a misleading label. It brings to mind a bloc type of defense system, whereas, currently, NATO is not a defense bloc of any kind but is, instead, the basis for constructing a security system and has been undergoing transformations, while, to many people, the label is misleading while many others deliberately use it—I mean our neighbors to the East—by saying: Here comes NATO, an aggressive bloc, approaching our borders.

[Woyciechowski] Mr. Minister, what about our eastern neighbors? What does Russia's participation in Partnership for Peace imply? In other words, is it a good thing or a bad one for us?

[Kolodziejczyk] You know, generally speaking, it sends a good message that means that, at least formally speaking, the Russians have approved the Partnership for Peace initiative, but their goodwill will be measured with their level of participation and involvement in the building of a security system that, after all, will include Russia as well. [passage omitted]

On Weaponry, NATO, Russia

WS2806134094 Warsaw POLITYKA in Polish 2 Jul 94 p 7

[Interview with National Defense Minister Piotr Kolodziejczyk by Marek Henzler and Marek Ostrowski; place and date not given: "We Can Afford To Have 10 'Hussars'"]

[Excerpts] [POLITYKA] Mr. Minister, there is an expression stating that there is always some army stationed somewhere. If it is not our own, it is a foreign one. What kind of an army should the Polish Army be, to avoid having foreign troops stationed in the country? After all, we border three powerful neighbors.

[Kolodziejczyk] I think I should state first of all that we are past the Warsaw Pact stage, where we were ascribed the role of a second-order force. Compared with contemporary needs, the logistics department, supplies systems, engineering troops, and everything that was supposed to secure high maneuverability in the operational space up to and including the Pyrenees has been developed excessively in our Army. The situation changed when the Warsaw Pact was dissolved and the Soviet Union collapsed.

Overnight, the countries of the former Warsaw Pact found themselves without any concept of their own security policies. Many options were debated, including three fundamental ones: One was neutrality; a second was what President Walesa called "Eastern NATO," meaning some alliances without the Soviet Union; and the third was a very clear pro-NATO one that, in the beginning, we did not know how to deal with because it

envisioned that, all of a sudden, we are to leave one alliance in order to join another.

[POLITYKA] So what kind of an army should we really have? Who should it defend us against?

[Kolodziejczyk] It will be an army of a defensive nature, but, at the same time, it will be characterized by mobility and flexibility in terms of the command process, and it will have three fundamental types of armed forces: Land Forces, with their own command structure, which we did not have before in a formal sense. What has been known as military districts up to now, will, as time goes by, take over the role of military administration, and they will deal with preparing a defense system and with training regional troops. A second component of the Army will consist of the command structure of the Air Force, and, finally, the command structure of the Navy, which, generally speaking, will maintain the form it has had heretofore. At this stage, we have about 248,000 soldiers, even though, according to treaties, we are allowed to have as many as 288,000, plus we are planning further reductions. These will be necessary because of our financial situation. We also share the view of the Germans, who are also cutting the size of their Army, that, in this day and age, the number of troops is not as important as the weapons these troops have at their disposal. This would reduce the expense of maintaining the troops—which currently reach as much as 65 percent of the National Defense Ministry's [MON] budget—and instead, allow us to spend more on modern and incredibly costly equipment. It is true that a contemporary aircraft is capable of replacing a few or even a dozen or so aircraft of the previous generation, but the price of such a new aircraft is shocking: Take for instance the French Mirage 2000, which costs about $60 million, or a modernized version of the U.S.-made F-15, which has a price tag of about $100 million. If we are thinking seriously about our membership in the Euro-Atlantic security structures, we cannot just boast about the level of training provided to the troops but must also catch up with NATO's technical standards. [passage omitted]

[POLITYKA] Do the Sejm and the government not understand the needs associated with the country's security? Or is it perhaps a game of interests that the Army is simply losing?

[Kolodziejczyk] In this situation of shortages in the budget, strong pressure groups and interest groups have emerged that have even lead to a breach of the Budget Act by ordering MON to purchase 300 billion zlotys' worth of Iryda aircraft. It is a dangerous precedent, and it is good that the president decided to file a lawsuit over Article 36 of the Budget Act with the Constitutional Tribunal.

[POLITYKA] So why do you not have your own lobbying group in parliament, Mr. Minister?

[Kolodziejczyk] The answer is simple. As a man who was designated by the president to serve in the prime minister's Cabinet, I am not loved by the coalition, whereas, when it comes to the opposition, they do not apply such distinctions, and, by acting against the interests of the coalition, they also act against me.

[POLITYKA] Would you receive better treatment in the process of budget designing if MON were not a presidential ministry?

[Kolodziejczyk] It is not all that bad with my cooperation with parliament. There are reasonable people there who, even if they do not know much about Army issues and are guided by logical thinking only, have a favorable opinion about us. On the other hand, people who used to work in MON before, currently have views that amaze me.

[POLITYKA] So the coalition regards you as a president's man, the parliamentary opposition regards you as a coalition minister, and extraparliamentary opposition regards you as a representative of the old, postcommunist military cadre.

[Kolodziejczyk] Unfortunately, this kind of labeling does exist, but it is a question of approaching defense issues through political games and personal ambitions. We are still not successful in overcoming those phenomena. The blame for such labeling is to be attributed to all political orientations, and even the Army itself is not free of it.

[POLITYKA] Does the opposition currently have a competitive concept of the development of the Armed Forces? Are these ideas worth debating, or is it just a case of teasing the minister?

[Kolodziejczyk] I have not come across any coherent concept like that. The extraparliamentary opposition is almost completely absent from the debate—apart from Romuald Szeremietiew's writing, which appears from time to time, and which is nothing new, anyway. When it comes to the parliamentary opposition, they exploit some decisions that are made, for the purpose of political games and making excessive complaints. Let us take the first example that comes to mind: the issue of subordinating the military special services to the chief of the General Staff, who is responsible for designing operational plans and who therefore must have the necessary instruments for that purpose. And that does not mean abandoning supervision over these services—on the contrary. I have set up an office for special services, which, on the minister's behalf, formulates general tasks stemming from the country's defense policies and controls the implementation of these tasks and the necessary expenditures associated with them.

[POLITYKA] So, if you have your own concept, should you not be defending it publicly?

[Kolodziejczyk] But I do defend it in cases in which I am attacked. I think that an overwhelming majority of the Sejm National Defense Committee has taken a positive stand on my concept. Sejm Deputies Janusz Onyszkiewicz and Bronislaw Komorowski are surprising exceptions in that regard; they should know better than the

rest how the mechanism functions. But they are the ones making a great fuss that the current minister is abandoning his power by relinquishing everything for the sake of the chief of the General Staff of the Polish Army. They also say that the old ways are coming back. Well, the opposition is often guided by immediate political interests, and it postpones real arguments until "better times." It is a tactical maneuver that is applied not just in this country. There have been similar accusations concerning changes in the educational services, but it is precisely Sejm Deputy Komorowski who has built this huge apparatus of people, many of whom are incompetent, ignoring the fact that a majority of forces should be directed to the troops, which is where the educational work is taking place. The role of MON's educational department should be limited to programming educational work, cooperating with other ministries, establishing good rapport with the mass media, maintaining contact with veterans and youth organizations, and, finally, supervising the implementation of fundamental principles of educational policies among the troops.

In other words, the cap should fit the head. Unfortunately, what we are dealing with here is a scout burdened by a huge rucksack—a bureaucracy that is excessive compared with common sense.

Our philosophy boils down to melding the Army and General Staff structures that are being modernized with programming/supervision structures that are not too elaborate and that constitute an efficient element of a system of democratic supervision over the Armed Forces. We are widely using the experience of Western countries that have been applying mechanisms that have stood the test of practice. To question such a concept and to make the accusation that the minister, a former military man, is trying to reverse the wheel of history by trying to reconstruct the old arrangement must be regarded as a flagrant abuse, which results also in a conviction among the cadre that the "war at the top" is an obstacle to solving the enormous problems the Army is facing.

[POLITYKA] You have been criticized for your unwillingness to place orders with the domestic arms industry. There is even talk that you are the industry's gravedigger.

[Kolodziejczyk] These accusations only demonstrate the power of the industrial/trade union lobbying groups in the arms industry. For us to be able to start cooperating with the industry in a normal way, these lobbying groups must simply be brought down.... To go back to the ill-fated Iryda, the point of view of the Mielec plant is this: to maintain what we already have, based on the MON budget, without any initiative or creativity on the part of the plant itself, and to continue, the philosophy is, in case of problems in drafting a budget, to force MON to find funds for the purchase of Mielec products, including by strikes, even in cases where the equipment offered by the plant does not meet the quality standards expected by the Army.

[POLITYKA] Still, there must be some objective criteria that would indicate whether an aircraft is of good or bad quality?

[Kolodziejczyk] The manufacturers are well aware of these criteria because they have already negotiated for a lowering of the criteria. This does not facilitate the competitiveness of Iryda on international markets. I am still hoping that the Mielec plant will deliver to us the product we have ordered before the end of this year, while the plant's management will come to understand that we are not just an ordinary customer—as it used to be in the past—but a demanding partner. That is exactly the position taken by the Swidnik plant, with which our cooperation continues to improve.

[POLITYKA] Maybe they lack not so much goodwill or skills as they do money?

[Kolodziejczyk] I would not like to analyze this that deeply. That is the business of the trade and industry minister, as well as of the plant's management. Still, I do know that the Mielec plant could have saved itself by accepting an order for a series of large transport planes for delivery to the United States. So far, they have decided not to use the opportunity for reasons that are completely beyond me and that—I hope—a special institution established for that purpose will soon clear up. To recap, people working in our arms industry must get it into their heads that the times when the Army purchased equipment and arms "just to follow an order" are long gone, never to return. Currently, the very limited state funds designated for defense purposes must be spent with great caution, and I mean purchasing equipment approximating world standards.

[POLITYKA] The Polish Army is equipped with arms produced primarily according to Soviet technology. How does one go about solving problems with overhauls, spare parts, lubricating oils, engine oils, and specialized ammunition? Does this not further contribute to our dependence on others, as well as to our helplessness?

[Kolodziejczyk] There are indeed problems, and they are one of the main reasons justifying the Visegrad Group's continued existence. Recently, this was responsible for extending the scope of cooperation to cover Ukraine, Bulgaria, and Romania. All of these countries and ourselves are in the same type of situation. Currently, we cooperate with anyone who could be of help in maintaining our military equipment at the highest possible state of readiness. It is a kind of military cooperative of self-assistance among colleagues that, with some amount of goodwill, could, through the coordination of research and implementation work, minimize the cost and reduce the time needed for technical modernization of the Armed Forces of the countries concerned. We are trying very hard to convince our partners about this concept, but, unfortunately, so far we have not scored much success. So, for the moment, we must manage on our own.

[POLITYKA] In which types of arms could we specialize?

[Kolodziejczyk] Take, for instance, radiolocating equipment, short-range rockets, or helicopters. We also do not hide the fact that our rifles are good and much cheaper than similar weapons.

[POLITYKA] Does "Partnership for Peace" open the door for us in terms of Western technology?

[Kolodziejczyk] If the program is indeed a direct path into NATO, then it must be associated with access to Western standards and technology. Unfortunately, Western thinking is very much dominated by inertia, especially in the context of our sense of a shortage of time.

A game is in progress in which Russia is the first on the list to push the break pedal. In that country, changes in mentality are occurring at an incredibly slow pace, and there continues to be deep frustration and a yearning for imperialism.

We approach "Partnership for Peace" very seriously, but, if it turns out that it is a dead-end street, we will withdraw immediately.

[POLITYKA] How will you be able to tell if it is a dead-end street?

[Kolodziejczyk] If the initiative is limited to only joint measures within peacekeeping and humanitarian missions, while the remaining measures, which would render us closer to NATO structures, get mired in fruitless debates, this will be a clear warning signal that we are taking part in a game without stakes. We will only be able to tell at the end of this year—that is to say, after an analysis of the legacy of this year's joint military maneuvers—what the real intentions of our partners from Brussels are. I hope the net result will be beneficial to us.

[POLITYKA] Is there a conflict between you as minister and the chief of the General Staff regarding who is in charge of the Army? Such views are indeed expressed in the press...

[Kolodziejczyk] I deny such accusations. In the ministry I am in charge of, subordinates do not argue with their bosses. But, what is happening is that General Wilecki and I, as well as others, have been conducting a debate based on a partnership concept, but I must confess it is heated at times and concerns the issue of making the management of the country's defense system rational. Because of Poland's aspirations, the system should take into account mechanisms in operation in NATO countries.

[POLITYKA] Is General Wilecki's concept different from yours?

[Kolodziejczyk] I think it is, even though he never clearly articulated that. The point is that the military, without its own will or guilt, was maneuvered into a dispute about the country's political system. The debate on the structure of managing the country's defense system must lead to a preliminary solution, and it must happen before the constitutional debate: What type of a state system is there supposed to be in the country? Will it be a presidential system or a parliamentary/cabinet one? All that makes the solution to problems that are significant to the Army more remote. It also delays the parliamentary debate of defense issues and slows down work on laws that are of crucial importance to the Army. This game into which the Army unfortunately has been drawn does not serve the state's interests.

[POLITYKA] Personnel policies are also part of the democratic supervision over the Armed Forces. What is the story with the process of building a civilian sector within MON? A graduate of the National School of Public Administration has complained to us that the Army showed no interest in him because the vacancies in the civilian sector must be kept for officers who are leaving basic service and are being transferred to the reserve.

[Kolodziejczyk] Meanwhile, I am just now looking for a candidate for chief of the Personnel Division, and, God, I hope it will be a civilian! As of today, we can absorb 30 graduates of the school you mentioned into MON, but nobody wants the jobs because of the low salaries. That is also a factor slowing down the "civilianization" of the Army.

[POLITYKA] Recently, Colonel Rozbicki, your press spokesman, wrote a piece for GAZETA WYBORCZA on the topic of the Army. The way the case ended up was that a scandal erupted, and he was dismissed...

[Kolodziejczyk] That is because he presented himself as writing on behalf of the minister, but he had not discussed this with me. In the article, he questioned the disarmament treaties concluded by Poland. It was a case of arbitrary behavior and abuse on his part.

[POLITYKA] But he also wrote that his views reflect the opinions of a large portion of the officer cadre...

[Kolodziejczyk] Nobody has done any research on this.

[POLITYKA] At a recent meeting in Brussels, the issue of Kaliningrad and the troops stationed there was discussed again. Is it your feeling that Russia is trying to evade a neighborly discussion on defense issues?

[Kolodziejczyk] Absolutely yes. What is happening is that a superpower whose position was once significant but that is currently going through major problems is demonstrating sulkiness. Poland is the most active country in its efforts to join NATO. For that reason, among others, Russia has a sick obsession about us because it thinks we are the ones who are leading others down the road to NATO, and Russia thinks we are doing this against the interests of those countries. Our Russian neighbors do not want or cannot understand that NATO

is going through a deep transformation—from a military bloc to the foundations of a common security system that is emerging on our continent. I also regret the fact that bilateral relations, despite our openness, are not as good as those with our remaining neighbors. Minister Grachev has been saying for some time now that his agenda is filled with events and that is the reason he cannot come to Warsaw. And I say to that: That is your mistake because we must sit down and explain to each other some arguments, exchange reasons and opinions, and jointly look for mutually beneficial solutions. But I hope that now that Russia has joined "Partnership for Peace" there will be a better climate for our mutual relations to develop better.

[POLITYKA] We thank you for the conversation.

Defense Minister Sets Defense Sector Targets

LD2906092194 Warsaw Radio Warszawa Network in Polish 0600 GMT 29 Jun 94

[Text] The government has approved the final version of a document entitled "The Fundamental Issues of Poland's Defense." The text does not contain a clause on the superiority over armed forces. The National Defense Committee [KOK] has excluded this issue for separate examination. National Defense Minister Piotr Kolodziejczyk, when presenting the guidelines of the document on the fundamental issues of Poland's defense, said that it would be possible to embark on modernizing the Polish Army when the state budget expenditure on defense reaches the level of 3 percent of the gross domestic product. At present, the Ministry's budget stands at 2.1 percent of the state budget expenditure.

Minister Kolodziejczyk believes that, if expenditure on the Army is increased by 0.3 percent each year, the Polish Army will achieve Western standards in 20 years.

[Begin Kolodziejczyk recording] The pace of technological modernization within the armed forces will depend on the amount of money guaranteed by the budget. We are pressing for 3 percent of the gross domestic product. Only then will we be able to say that we are embarking on a gradual, slow, 20-year process of modernizing the Army. The modernization should bring our technological standards up to those of Western armies in roughly the year 2015. [end recording]

Document on Development of Defense Adopted

WS2906083594 Warsaw NOWA EUROPA in Polish 29 Jun 94 p 2

[Article by "pw": "Government on Army, Without Discussion"]

[Text] *The government approved a document yesterday entitled "Fundamental Problems of the Polish Defense System." Defense Minister Piotr Kolodziejczyk will not present the document to the Sejm until this fall.*

As Minister Kolodziejczyk told reporters, the document contains several options for the development of the Polish Armed Forces, but their implementation depends on the availability of funds. According to the minister, there is a "positive approach among Sejm deputies" on the issue of increasing defense expenditures. The minister told GAZETA WYBORCZA, however, that Finance Minister Grzegorz Kolodko's approach is "not positive."

Kolodziejczyk says that, provided armament expenditures reach the level of 3 percent of the GDP over three years, the Polish Army will reach a level similar to NATO armies by the year 2015.

Of course, we want the size of the Army cut down, and we want to have 12-month military service introduced, but an army like that must have modern equipment and be well trained, so as not to decrease the state's defense potential, the minister said.

The Defense Ministry also wants to reform civil defense structures and transfer them to the supervision of the Internal Affairs Ministry.

SLD Leader on Elections, New Constitution

WS2806130094 Warsaw TRYBUNA in Polish 27 Jun 94 pp 1, 8

[Interview with Aleksander Kwasniewski, chairman of the Democratic Left Alliance, by Ewa Rosolak; place and date not given]

[Excerpts] [Rosolak] A week before the self-government elections, the Democratic Left Alliance [SLD] claimed that it would be satisfied with a result in the vicinity of 20 percent. On the Friday before the elections, you said: "We will not lose these elections." How does the party evaluate the results today?

[Kwasniewski] We are satisfied. Our forecasts proved correct and so did my statement that we will not lose these elections. One can even say that we won them. I am also talking about Warsaw, which really makes me happy, and about the very good result in Krakow. We are the grouping that has major structures and support in large and medium-sized towns and cities; we are also present in the countryside. Thus, we are unique, in a way.

[Rosolak] You also suggested that the elections would confirm the political trends shaped in September...

[Kwasniewski] And they did confirm them. The main groupings are the SLD and, in the countryside, the Polish Peasant Party [PSL] and the Union of Freedom [UW]. The right wing, which has drawn conclusions from the September elections and united, is another force in this configuration.

The SLD has reasons to consider these results satisfactory. Still, the low turnout is undoubtedly sad. This

means that the ideas of self-government and the civic society still remain more in the sphere of slogans than reality.

[Rosolak] The SLD has obtained influence in towns. However, does this mean that it will also share power?

[Kwasniewski] These are two different things. In the previous term of office, we had approximately 800 members of municipal councils; today we think there will be 10 times as many. Thus, our position in municipal and gmina [smallest administrative units] councils is certainly increasing. This is our first try at self-government because so far we have been present first and foremost in the parliament. This is going to be a great test for my colleagues. In such towns as Sosnowiec, Wloclawek, Czeladz, and Stargard Szczecinski, we are obliged to take over all of the issues.

In other places, we will hold talks on coalitions. We are open to all kinds of configurations; however, I will now be quite frank and say that we will neither throw ourselves about or fall into despair if it turns out that we are merely a strong opposition. I even believe that the role of a homogeneous, constructive opposition might turn out to be important and useful for our members of municipal councils; it might help them gain new experience.

If UW definitely goes in the direction of a coalition with the right wing, then, as Marek Borowski correctly pointed out, it will not be the first case of such a union. They usually did not gain much as a result, but, after all, it is their own decision.

I also think that this will clearly define the responsibility of these groupings for everything that is going on there; so, there is really nothing to envy... As the opposition, we will control these authorities and suggest better solutions. I also think that we will be getting ready for the next elections.

[Rosolak] Do you not fear the so-called anti-SLD coalition?

[Kwasniewski] No, I do not. It may be formed, but it is just as likely as a coalition with the participation of the SLD. We are talking about politics. I am amused by evaluations that are supposed to belittle our results, as well as by opinions that we did not receive 50 percent of votes everywhere... In the parliamentary elections, we obtained 20 percent, so we are not a majority in the Sejm, either. Thus, it would be difficult to expect that we will all of a sudden win the majority of votes in the self-governmental elections. [passage omitted]

[Rosolak] You have established numerous coalitions with the PSL in the regions. What separates coalition members in regions, and what brings them together?

[Kwasniewski] Generally speaking, the characteristic thing about self-governmental elections is that there are more issues that bring people together than issues that separate them. It is difficult to expect that great disputes or passions will be related to the communal infrastructure or other issues that are within the powers of self-governments.

The analysis of the results of the elections showed that the PSL is not an all-national party but a party that is really strongly linked to the rural electorate. The results that the PSL received in towns are poor. This is the problem when you want to transfer the coalition with the PSL to towns. In towns, we are, in fact, alone and must fight against UW alone or fight along with UW against the right wing.

[Rosolak] The coalition with the PSL comprises the government. One can continually hear the following statements: "The left has blurred its image through the coalition with the PSL; its ability to reach a compromise is greater than that of its peasant partner." What is the price of the coalition? What is the limit of compromise?

[Kwasniewski] Every decision has its price. I believe that we have confirmed that we are solvent. It is worth recalling that it was predicted before the elections that many misfortunes would befall us. The right wing said that we would lose; others kept saying that our alliance with the PSL would yield us negative results; still others feared that our rational economic program was not very leftist, and, therefore, we would obtain fewer votes.

I believe that many of these accusations have been proved false. I believe that our voters will understand that the SLD's compromises result from the feeling of responsibility: from the fact that we think in terms of responsibility for the state, not in terms of disputes over our own positions, ministerial posts, and so on.

I am also happy with the fact that the statements that our electorate expected miracles have proved false. It turned out that our electorate is very conscious; the people know and understand that successes are not achieved overnight and that they call for hard work.

I believe—please do not think I am boasting—that, generally, it is becoming increasingly clear that we are number one on the left side. It is also obvious that, if the social-democratic left wing is crystallized anywhere, it should be crystallized around us—with our significant participation. I am convinced about that. Thanks to our openness, which you have criticized, we will be able to count on cooperation and the presence of others who want to join us.

The Polish political system is shifting toward a four-party system: the left; the right, with very strong Catholic and national views; the center, including UW; and the peasant party, the PSL, which, because of its structure, will be an important grouping in our country for many years to come. [passage omitted]

[Rosolak] The Constitutional Committee of the National Assembly has already familiarized itself with six draft constitutions. You say that the differences concern 20 percent of the issues that are found in the Basic Law.

Among the controversial issues, you list relations between church and state, the political system of the country, and social rights. How do you see the possibility of reaching a consensus in a situation in which the dispute concerns the most vital problems?

[Kwasniewski] Eighty percent are articles on which a consensus can be easily reached; 20 percent involve key disputes. The discussion will be finally ended through a vote. There is no other possibility. We will seek a compromise wherever it can be reached. The National Assembly will settle the issue, which will be finally decided in a nationwide referendum.

[Rosolak] As chairman of the Constitutional Committee of the National Assembly, you said that we would have a new constitution by last spring. If the statements by Minister Falandysz are also the opinions of the president, the first citizen does not really look forward to the constitution's being passed anytime soon.

[Kwasniewski] I think that the president is supporting the schedule that has been accepted by parliament. It is an ambitious and logical schedule because it is reasonable to elect the president when the conditions of the contract are already known. It would be really bad if the president were elected in line with the regulations that are binding today but that may change later on. This might gave rise to the following question: Does the newly elected president have to accept the conditions created after he was elected? I think that the proposed sequence of events is more natural. [passage omitted]

Minister Views Prospects of Privatization

AU2706092394 Bucharest ROMANIA LIBERA in Romanian 20 Jun 94 p 4

[Interview with Mircea Cosea, minister of state and chairman of the Council for Coordination, Strategy, and Economic Reform, by Mihaela Pantea and Romulus Maier; place and date not given: "If the Program Is Not Respected, They Will Dismiss Me"]

[Text] The following interview with Mircea Cosea, minister of state and chairman of the Council of Coordination, Strategy, and Economic Reform, revealed a radical modification in the direction of Romania's privatization program. The mainly economic principles that Mr. Cosea has followed so far have been replaced by mainly political ones, to an overwhelming degree. No doubt, Mr. Cosea has an innate talent of "causer," along with an intellectual finesse that make him outstanding among the members of Vacaroiu's cabinet. However, Mr. Cosea failed in his attempt to totally hide the clear pressure he is facing from the representatives of the leftist PDSR to limit, at least in the first phase, the possibility of concentrating capital in the hands of a few businessmen or society people.

Accelerated Privatization Does Not Require Legislative Modifications

[ROMANIA LIBERA] Mr. Cosea! The Council you are heading has developed a program of accelerated privatization. Is this a readapted old program, or a totally new one?

[Cosea] This is not a new program; nor can it be a new program because other people have considered this problem before us. The various programs that are now in circulation under various names in Bucharest are actually programs of Prague University, namely the programs of Rapacinski and Friedmann. In the new program, we are starting from some rules of the game that cannot be ignored:

1. The current legislation must be preserved although, from my viewpoint, it would have been preferable to modify it, namely to simplify it and make it more transparent. The present law is not very bad, but it is too sophisticated and disregards some realities prevailing in Romania, namely the reduced economic education and an almost non-existent infrastructure and computerization in this area.

2. The need for the privatization process to be fully transparent because, at the level of the individual person, privatization means corruption, quick accumulation of wealth, and traffic through influence.

3. A maximal simplification of the procedures and methods. And very much connected to the above is the possibility envisaged in the new program, namely to use a variety of privatization methods, not only the MEBO [Management and Employee Buy-on] or a standard method, for example.

One Certificate—One Man—One Enterprise

[ROMANIA LIBERA] Concretely, what is the time span of the privatization program?

[Cosea] In the first phase, the program aims at solving two problems: Setting up the system of ownership certificates and establishing a secondary capital market in which these certificates can be marketed. Through this program, we proposed to limit the possibilities of changing these certificates into stocks at the enterprises to be privatized, on the basis of "one certificate/man/enterprise." We must give equal chances to all the certificate owners, at least in the first wave of privatization (about 3,000 enterprises eligible for privatization beginning with 1 September 1994), because there is real social pressure in this direction.

[ROMANIA LIBERA] However, when some people have sold their certificates for meager sums, there were generally buyers; in other words, there was a certain balance of supply and demand

[Cosea] From the viewpoint of the market economy, there is indeed a perfect balance. The only problem is that we do not have a market economy, and the level of our economic education does not allow such an approach. Once a person has sold his certificate, I can tell him "good day." But he will ask me what the government has done in the last two years to explain to him how and when to use these certificates. Nothing! Therefore, we thought of an equitable solution, but I repeat, in the first "wave" of privatization.

The Last Train for Romania [subhead]

[ROMANIA LIBERA] Will such a restrictive measure lead to a conflict between the government and the large owners of certificates, many of them important supporters of the government?

[Cosea] In this first phase, privatization will certainly create great dissatisfaction. This also explains the lack of political will that has been characteristic so far. Privatization is a risk and, for any party, it can become a factor of losing support.

When they accepted this role, those who are in the government must also have accepted the risk of leaving the game. On the other hand, they have an immense responsibility, and knowing the moment when actions must be taken is of major importance. This moment is the last one for Romania. If we continue to delay privatization and continue to be afraid of the possibility of losing political support or of a government fall, the risk is great....

[ROMANIA LIBERA] Is this program the best version of privatization for Romania?

[Cosea] In any case, this program will accelerate privatization and, in the second phase, by liberalizing the exchange system of the aforementioned certificates

(beginning with 1 January 1995), a series of improvements will be made to allow access to an unlimited number of certificates on the market.

There Are No Declared Enemies

[ROMANIA LIBERA] Could this program be blocked by a decision?

[Cosea] Theoretically, it can be blocked at the level of three factors: the Private Property Funds, the State Property Fund, and the Government Property Fund. However, it has no declared enemy yet.

[ROMANIA LIBERA] You advance the possibility of privatizing 3,000 enterprises in the framework of this program by the end of this year. The representatives of the World Bank in Bucharest showed distrust in this version, and only saw the possibility of privatizing a few hundred enterprises at this stage.

[Cosea] The program was presented to the World Bank and they made some constructive observations with some interesting points. I know that there is distrust regarding the number of firms that can be privatized this year, but I think that we can carry out what we have decided.

[ROMANIA LIBERA] You are the first Romanian official who connected his position to the implementation of a certain goal. You declared that you would have resigned if the treaty with the IMF had not been signed at the end of 1993. Will you do the same if this program is not fully implemented?

[Cosea] I think that, before I resign, if the program is not implemented, they will dismiss me!

PRM Protests Constanta 'Assassination Attempt'

AU2806102194 Bucharest CURIERUL NATIONAL in Romanian 7 Jun 94 p 3

["Communique on the Assassination Attempt in Constanta and the Threat to President Ion Iliescu's Life" issued by the Greater Romania Party—place and date not given]

[Text] The Greater Romania Party [PRM] publicly protests the exceptionally grave events that took place on 3 June 1994 in the Municipality of Constanta. Being invited to hold our weekly news conference at the headquarters of the Constanta branch of PRM, we travelled there by airplane. Upon our arrival at Kogalniceanu Airport, we were met by the Constanta County prefect, Mr. Anghel Constantinescu, who reassured us that in spite of the fact that there were certain brawling groups of people, the situation was under control. Being invited by the prefect and a number of county council members to pay a protocol visit to the Prefect's Office headquarters, we found that there were approximately 1,000 agitators there, who were blocking the entrance gate and maintained an atmosphere of terror. We used the backstairs to enter the prefect's office building, but after only a few minutes the prefect's office was stormed by a few dozen hooligans, stinking of alcohol, who tried to force their way in through the doors and who were threatening to kill us. Answering our question inquiring about how it was possible that such aggressors could penetrate the prefect's office building, despite the presence of the riot police, several local officials told us that they had been encouraged and helped to fraudulently enter the building by Cornel Neagoe, the PNTCD [National Peasant Christian-Democratic Party] mayor of Constanta Municipality, Stelian Dutu, the chairman of the Constanta branch of the FSN [Democratic Party-National Salvation Front], who is also deputy chairman of the Constanta County Council, Alexandru Mihalcea, the local correspondent of daily ROMANIA LIBERA, and Ion Hasoti, an ultra-monarchist attorney. As a matter of fact, the four aforementioned prominent agitators of the opposition stood all along in the window of the mayor's office, encouraging and directing the insane mob in the street, who, their eyes blurred with beastly fury and brandishing chains, crowbars, and knives, were shouting as loud as they could: "Death for death!," "Blood for blood!," and "Get that hangman!"

As the situation was desperate and the county prefect seemed to be overwhelmed by the events, the PRM chairman [Senator Corneliu Vadim Tudor] telephoned Bucharest, where he spoke with Prime Minister Nicolae Vacaroiu, Senate Speaker Oliviu Gherman, and with Interior Minister Doru Ioan Taracila. Within a short time the police forces were strengthened. Eventually the gang of hooligans, who had been occupying the hallways, left the prefect's office building. About 700 PRM sympathizers, who had gathered at the Culture Palace and were waiting for our news conference to begin, could hardly be restrained from heading for the prefect's office building, where—in their rage at what was happening—they would have pulverized that scum within a few minutes. Owing to those regrettable incidents in Constanta, under the circumstances of a nearly three-hour siege, Professor Mircea Musat suffered a heart attack and was unable to attend the news conference. We would like to mention that among the mob 50 rogues were spotted who had been brought there from Bucharest by bus, to act as a Hitler-type assault brigade. Under such circumstances the PRM demands that the Government and the General Prosecution should depose and prosecute, in emergency proceedings, the peasant-party mayor of Constanta, Cornel Neagoe, a paranoid individual who has publicly stated that if he had more authority, he would literally bulldoze all communists. It is obvious that owing to certain characters who cannot adapt to society, such as Mayor Cornel Neagoe, and [PNTCD] parliamentarians Vasile Vetisanu, Serban Sandulescu, or [PNTCD Chairman] Corneliu Coposu, PNTCD is actually an anti- national, anti-peasant, anti-Christian, and anti-democratic party. We also demand that all hooligans who, having occupied the supreme state institution of the county, threatened to kill the senators and deputies of our party, should be identified and placed under arrest.

It is alarming and regrettable that, owing to the inexplicably passive stance of the police and the justice ministry, gangs of insane people are able to block and hold in terror the fundamental institutions of the state: The Government, the Senate, the Chamber of Deputies, the Ministry of Interior, and the county prefect's offices. For the last time we publicly warn everyone that if there is no return to legality and Romanian society is not protected against such aggressive rottenness, our party, together with other healthy forces of the nation, will see themselves compelled to set up their own defense structures, as the lives of our parliamentarians, counselors, journalists, and ordinary party members are being threatened.

As far as concerns the recent communique of the FSN leadership, which they published a number of times and on radio and television [rejecting Tudor's earlier accusations that FSN leader Petre Roman was involved in a coup attempt against President Iliescu allegedly to take place on 17 June], the PRM has to point out the following: We believe that the FSN is not entitled to issue any more communiques, because in any country of the world, parties that have destroyed the country, parties that are swarming with all kinds of crooks and rowdies, would have been dissolved and each of its members would have been prosecuted long ago. Thus, with the same hand with which they wrote false declarations and forged public documents, with which they squandered our national patrimony, with which they sent abroad huge amounts in hard currency and made their relatives rich, some of the deputies of that drifting party are now requesting that the parliamentary immunity should be lifted of the PRM chairman whose sole fault is that of having revealed their crimes.

The recent escalation of tension was caused by the disclosures of an authentic revolutionary, who was gravely wounded in the blaze of the December 1989 events, made to us, the members of the PRM Steering Committee, who sign this document. Those disclosures were made on the morning of Friday, 3 June, in the VIP foyer of Baneasa Airport, upon her own initiative, by Mrs. Maria Schiht, a member of a revolutionary organization, who before her recent retirement used to work at Romania's Senate. Here is what she stated to us:

"I have come to warn you that an attempt upon Senator Vadim Tudor is being plotted. Furthermore, Dorin Maxim, one of the leaders of the revolutionaries' organizations, recently disclosed to me that before 17 June, together with [Democratic Party-National Salvation Front leader] Petre Roman, they will assassinate President Ion Iliescu and will reinstall [King] Mihai de Hohenzollern as the head of the country." Considering the exceptional gravity of those assertions, we advised Maria Schiht, together with Flori Stoichitescu, her former colleague at the Senate, who was accompanying her, to request an audience at Cotroceni Palace with [presidential counselor for military issues] Colonel General Vasile Ionel and brief him on that potential violence. We know that their meeting took place. We invite the General Prosecution to commence serious investigations ex officio, as stipulated by law.

Under the aforementioned circumstances we request that Dorin Maxim should be immediately interrogated and that Petre Roman's parliamentary immunity should be lifted, as that is the sole way in which justice could precisely establish the nature of his relations with terrorist-extremist groupings planning to overturn state order by force. One cannot ignore the fact that some of the leaders of his party have forced their way through the lines of the law- enforcement bodies at the Alba Iulia Great Popular Assembly of 1 December 1993, which proves their anti-social habits. At the same time the PRM firmly requests that the General Prosecution should finance the completion and deal with the penal cases based on the thorough reports of the Prime Minister's Control Corps, cases referring to the infractions perpetrated by Petre Roman, Rada Istrate, Bogdan Niculescu-Duvaz, Traian Basescu, Bogdan Bujor Teodoroiu, Aristide Dragomir, Adrian Severin, Vasile Bran, and other FSN [National Salvation Front] leaders, who by their incompetence, amateurishness, greed, irresponsibility, and Mafia-type dealings have pushed the country to the bottom of the abyss. Once more, we sound the alarm so that public opinion at home and abroad should be entirely aware that the sole extremism currently practiced in Romania is the one perpetrated by the monarchist opposition and the FSN, who—if we wish to prevent them from poisoning this nation—should be outlawed as soon as possible.

Corneliu Vadim Tudor, PRM chairman, senator of Bucharest
Mircea Musat, first deputy PRM chairman, deputy of Brasov
(Retired) Major General Valeriu Buzea, PRM deputy chairman
Mircea Hamza, PRM deputy chairman
Iuliu Ioan Furo, PRM executive secretary, deputy of Bucharest
Dan Ioan Mirescu, PRM executive secretary
Cornel Ciontu, PRM executive secretary
(Retired) Colonel Ioan Marinescu, deputy of Bucharest
Ioan Dutu, deputy of Bucharest
Toma Nastase, government counselor, member of the PRM National Council

KGB 'Campaign' Against SRI Alleged

AU2806131194 Bucharest EVENIMENTUL ZILEI in Romanian 23 Jun 94 p 12

[Report by Liviu Tudor: "KGB Agents Have Embarked Upon Aggressive Espionage Activity Against Romanian Intelligence Service Employees"]

[Text] With the support of their agencies in the Republic of Moldova, as well as those in our own country, especially in the northeastern region, the KGB has embarked upon a sustained campaign intended to disclose and gather documentary evidence with respect to the activity

of the SRI [Romanian Intelligence Service] employees. Currently the D Division of the SRI, for the intelligence protection of SRI personnel, has several files with references to Russian surveillance activity and their attempts to penetrate the circles of SRI employees in the northeastern part of Romania. The documents sent to the government and the presidency briefing them on these facts have been left without answer.

The collapse of the USSR in 1990 did not implicitly mean that the KGB's potential dropped as well. As neither its authority nor its influence at home or abroad has suffered setbacks, the KGB is trying to keep under control its zones of influence, and especially Romania.

Moscow does not like the ideas and the conception of the Romanian Armed Forces and certain political circles to integrate within NATO structures. The assertion made on 24 December 1992 by the SRI director [Virgil Magureanu], in his speech occasioned by the Day of Antiterrorist Fighters, according to which "the Romanian Intelligence Service should involve itself more in Romania's reunification with Bessarabia," was a further signal that caused concern at Russian secret service headquarters.

Two years after this statement, during a news conference organized in the month of March 1994, SRI Director Virgil Magureanu hinted that the most aggressive intelligence service currently acting on Romania's territory is the KGB.

Buha: Both State Entities Must Be Recognized

LD2806185194 Belgrade TANJUG in English 1806 GMT 28 Jun 94

["Pool" item]

[Text] Belgrade, June 28 (TANJUG)—The international community should recognize both state entities in the former Yugoslav Republic of Bosnia-Herzegovina—the Moslem-Croat federation and the Bosnian Serb republic—if the conflicts there are to be settled, Bosnian Serb Foreign Minister Aleksa Buha said to Italian Foreign Minister Antonio Martino Tuesday. Martino arrived in Belgrade earlier in the day for a brief working visit.

After the meeting, Buha told a press conference that he had conveyed to Martino the Bosnian Serb stand that it was necessary to accept that Bosnia's three sovereign peoples were entitled to freely decide about their future.

It was made clear to Martino that the international community had to admit at last that an independent Bosnia-Herzegovina is no more than a fiction, Buha said.

The Serb side said to the Italian delegation that the international community had got entangled in a net from which it can hardly free itself without new ideas, said Buha.

The Italian delegation's insisting on getting first-hand information on the Bosnian Serb views of the solution to the Bosnian conflict is interpreted by Bosnian Serb officials as showing Rome's obvious intention to play a more active role in the Bosnian peace process.

Assessing the results of his talks with Martino and his aides, Buha said that the first impression was that they were people prepared to work without prejudice.

Bosnian Serb Vice-President Biljana Plavsic, who also attended the talks, said after the meeting that the talks with the Italian foreign minister had come at the right time. She apparently had in mind some important forthcoming meetings, including the summit of the Group of Seven most industrialized nations and Russia on July 8 to 10. There are indications that the future of Bosnia-Herzegovina will be decided at this meeting.

'Bosniak' Category in FYROM Census Urged

LD2906112994 Belgrade TANJUG Domestic Service in Serbo-Croatian 0918 GMT 29 Jun 94

[Text] Skopje, 29 June (TANJUG)—At a news conference in Skopje, the Party of Democratic Action [SDA] in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], headed by Avdija Pepic, has distributed copies of a letter sent by the Foreign Ministry of the Muslim government in Sarajevo to the Macedonian parliament. The letter insists that a new category be introduced in the Macedonian population census questionnaires: "Nationality—Bosniak."

In an explanation, the Bosnian Foreign Ministry says that this is in accordance with Article 7 of the Muslim constitutional law, and insists on a representative of the Sarajevo Muslim government—the Bosniak-Croat Federation—taking part in the census.

In the period preceding the census, the SDA itself demanded the introduction of Bosniaks as a new name for the Muslims of Macedonia, in accordance with a decision by a symposium held in the Muslim part of Sarajevo this spring.

According to observers in Skopje, this demand, if fulfilled, would cause a lot of confusion among the Islamic population in Macedonia. This is because, in addition to a certain number of Muslims of Bosnian origin, there is also in Macedonia a certain number of Serb-speaking Muslims who came from Serbia, Montenegro, and Herzegovina, as well as about 100,000 Macedonian-speaking Muslims. According to Macedonian analysts, the introduction of the term Bosniak for all Muslims in the territory of former Yugoslavia represents yet another fundamentalist invention of Alija Izetbegovic and his Islamist aides working on the homogenization of the entire Muslim population in the territory of former Yugoslavia.

SDA Assails Abdic, Lack of Humanitarian Aid

AU2806155894 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 28 Jun 94

[Text] The cooperation of Abdic's renegades and their friends, the chetniks, which they neither want to nor can conceal, has revealed all its futility with the closure of a corridor for the delivery of humanitarian aid to the free territories of the Bihac district. In an attempt to rescue and preserve his dictatorship, which is diminishing daily while its residents have realized the full extent of [words indistinct] of a sick mind, he is in this way trying to force the residents of the district to surrender and renounce their own Islamic identity and their Bosnia-Herzegovina through surrender, a proclamation by the regional committee of the Party of Democratic Action [SDA] Bihac says, among other things.

In the name of the citizens and the SDA members, we demand that the international institutions and the United Nations carry out their fundamental task within their mandate, which is [words indistinct] to secure the unhindered delivery of humanitarian aid to the free part of the Bihac district. From the Presidency, the Bosnia-Herzegovina Government, and the Foreign Ministry, we demand energetic action to [words indistinct] demand that the relevant international factors deliver humanitarian aid [words indistinct] way.

This manner excludes any risk or manipulation by [words indistinct] and guarantees a regular delivery and the safety of the UN forces. In the name of the residents of the Bihac district and the SDA members, we call and appeal to all those of Fikret's [word indistinct] who have been mislead and forcefully mobilized to cross to the

side of their people and their country and feel the breeze of victory blowing from the peaks of Mount Ozren, where the (?terrorists) are fleeing heedlessly, to defend and liberate what is ours [words indistinct] enjoy the beauty of our free and [word indistinct] Bosnia from the liberated peaks of Grmec, Kozara, Jahorina, and Vlasic, is stated in the proclamation by the regional committees of the SDA in Bihac.

'Mass Arrests' of Abdic Opponents Reported

AU2806154594 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 28 Jun 94

[Report by Nada al-Isa from Zagreb]

[Excerpt] In Velika Kladusa, Fikret Abdic's paramilitary continues terrorizing people and carrying out mass arrests. The latest news says: Three imams and some 10 hajjis have been arrested or taken to camps. Currently, altogether there are approximately 1,700 opponents to the forcefully proclaimed autonomy who are being held in Abdic's prisons and camps. There are even children as young as seven in the camps. We learned this in Zagreb today from a former prisoner who was detained in the (?Drnovi) camp.

Abdic's supporters are also arresting the deputies of the Bosnia- Herzegovina Assembly from the Bihac district and the members of their families. Deputy Hazim Muric and his father are imprisoned, and so is Ejup Alagic, president of the Velika Kladusa communal assembly, and his entire family—a wife and two children. A father and a sister of Murija (?Mirkovic), deputy in the Chamber of Citizens of the Bosnia-Herzegovina Assembly, have also been detained. Deputy (?Ivkovic) has confirmed this himself. There is a reign of terror and mass arrests in Kladusa. The people are being imprisoned in one of the following four camps—Drmeljevo, (?Bavionica), [word indistinct], and (?Vrnograd). [passage omitted]

Karadzic Demands Respect for 'Just Victory'

LD2806170794 Belgrade TANJUG in English 1618 GMT 28 Jun 94

["Pool" item]

[Text] Bileca, June 28 (TANJUG)—If the international community wants peace, it will have to respect the Serbs' just victory because they have remained on their territories, Bosnian Serb leader Radovan Karadzic said Tuesday. The Bosnian Serbs now control 70 percent of the territory of the former Yugoslav Republic of Bosnia-Herzegovina while according to land registration documents they owned 64 percent of the republican territory before the war.

Under the international plan, the Bosnian Serb Republic is to get 49 percent of the Bosnian territory and the Moslem-Croat Federation 51 percent.

If the international community does not want peace, it will again, like on earlier occasions, offer unacceptable maps and humiliating conditions to the Serb victorious army, knowing that the Serbs will reject such a plan, Karadzic said at a ceremony in a Bileca army barracks marking the day of the Bosnian Serb army.

"If the maps are in any way acceptable, we will have them for the love of our brothers in Serbia and Montenegro, but only under the condition that the sanctions be lifted, which will have to be included in the peace document," Karadzic said in the eastern Herzegovina town Bileca.

In May 1992, the United Nations imposed tough economic and political sanctions on Yugoslavia because of alleged involvement in the civil war in the territory of the former Yugoslav Republic of Bosnia-Herzegovina.

If the international "Contact Group" for Bosnia comes with unacceptable maps, Serbia and Montenegro will not insist that we accept them, Karadzic said and added that, like in earlier occasions, they would stand firmly by the Bosnian Serbs.

The general staff commander of the Bosnian Serb army, Colonel-General Ratko Mladic said the Serbs "want peace with all their hearts but not any peace and not at any cost."

The Serbs want "honourable and digified peace respecting the results of our struggles over the centuries and in this latest war, our victories and our past and present rights."

Serbs Claim Muslims Attacking Bihac Front

LD2906004394 Belgrade TANJUG in English 2321 GMT 28 Jun 94

[Text] Belgrade, June 28 (TANJUG)—Moslems have been fiercely attacking from mortars and all arms all along the Bihac front in northwestern Bosnia since morning, Bosnian Serb army sources said on Tuesday.

The local Serb army command reported Moslem troop movements along most lines of separation, which is another proof that forces loyal to Moslem hardliner Alija Izetbegovic do not care for a ceasefire.

In the northeast, Moslem troops are keeping up a continuous stream of attacks on the serb positions near Doboj and on Mt Ozren in violation of the latest truce, which came into effect on June 10.

Moslem commander Rasim Delic said last week that his troops were waging an offensive war, prompting Bosnian Serb President Radovan Karadzic to warn on Saturday that the Serbs would launch a counter-offensive if the Moslem attacks continued.

"I am alarmed that this upsurge in fighting threatens the prospects for reaching a comprehensive cessation of hostilities and undermines efforts already under way to

broker an overall political settlement," U.N. Special Envoy to Former Yugoslavia Yasushi Akashi said in Sarajevo before leaving for a meeting at NATO headquarters in Brussels.

U.N. commander for Bosnia-Herzegovina, General Sir Michael Rose, said before leaving for Brussels on Tuesday that the Moslem side "is the one that has been most hostile to the peace process and constantly breaching the ceasefire."

"The danger is that they will provoke a massive Serb response," Rose added.

Akashi and Rose will discuss with NATO leaders possibilities for coordinated U.N. and NATO action in case of both acceptance and refusal of an international peace offer by the Bosnian belligerents, Reuters said.

Six Killed in Muslim Attacks on Serb Areas

LD2806212694 Belgrade TANJUG Domestic Service in Serbo-Croatian 2018 GMT 28 Jun 94

[Text] Banja Luka, 28 Jun (TANJUG)—On several occasions today, Muslim forces opened heavy artillery fire from 122-mm howitzers on Serb settlements on Mount Vlasic, killing six persons, the Information Service of the First Krajina Corps of the army of the Serb Republic reported in Banja Luka tonight.

In addition to these casualties another 20 people were wounded and a great deal of material damage was also inflicted. According to military sources, about 30 shells were fired. Units of the Serb Republic army were forced to return heavy fire in reply to these activities.

There has also been sporadic fire in the Srbobran [Gornji Vakuf] battlefield from the direction of Prusac. There were no casualties in these operations. There was no return of fire to these activities.

B-H Army, HVO Artillery Attacks in Doboj

AU2806153894 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 28 Jun 94

[Report by Zoran Grgurevic from Doboj]

[Excerpts] Since 1200 Doboj has been targeted by the Muslim [Bosnia-Herzegovina Army] and Croatian [Croatian Defense Council] artillery. This time, with the support by the Croatian artillery, a multiple rocket launcher has literally plowed the center of the city with over 20 destructive missiles. The shelling is under way as I report. [passage omitted]

There is no point even in mentioning the material damage. As an illustration of the damage, the water works have been damaged [otvorio] and one street of Doboj has been completely annihilated. It is real hell here. [passage omitted]

Muslim Attack Reported

LD2806120494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1126 GMT 28 Jun 94

[Text] Doboj, 28 Jun (TANJUG)—Muslim forces launched a multiple rocket launcher attack on Doboj from the direction of Tesanj at noon today, committing a most flagrant violation of the cease-fire agreement.

The attack was repeated 10 minutes later when Doboj was hit by about 20 missiles, causing great damage to buildings. According to initial reports, many civilians suffered serious and light injuries and they have been admitted to Doboj hospital. A general alert has been sounded in Doboj and the citizens are in shelters.

Istrian Leader Calls Tudjman Speech 'Improper'

AU2806150194 Rijeka NOVI LIST in Serbo-Croatian 25 Jun 94 p 5

[Article by E. Ambrozic: "President Tudjman Is Ignoring the Istrian Reality"]

[Text] Pula—"It is good that the main celebration to mark the Day of Antifascism in Croatia was held in Istria, for that proved the importance of the Istrian peninsula in this country," said Ivan Jakovcic, president of the IDS [Istrian Democratic Congress], at a news conference yesterday. He emphasized that antifascism made it possible for Istria to be joined to its native country.

Jakovcic said that President Tudjman could not have said a part of his speech delivered in Pazin on Wednesday anywhere else but in Istria, and that the speech was an attempt to restore the Croatian reputation in the world, which has been seriously tarnished. Jakovcic said that in Pazin President Tudjman had proved himself consistent in denying everything that Istria had achieved on its own. So it turned out, Jakovcic said, that Istrian fighters could not have managed anything without the help of fighters from other parts of Croatia, and that Istria had not done anything in the past 50 years. Furthermore, Jakovcic said that President Tudjman's speech implies that, in the future, Istria would only be able to achieve anything under the reign of the HDZ.

The IDS president is particularly worried that Franjo Tudjman is negating the election results in Istria, for he criticized the commitment of Istrian voters to regionalism, coexistence, and tolerance.

Jakovcic added that when the president of the Republic, who also happens to be a historian, uses false information and says that the Italians in Istria mostly supported Italian fascism, then that is a blatant lie. Jakovcic also said that some people in Istria did indeed support fascism, but they were in the minority, and that there was an overwhelming number of freedom-loving, democratically oriented people.

"Ignoring the fact that Istria and its civic, i.e. municipal councils want to introduce bilingualism in their region, President Tudjman displayed a complete lack of tolerance toward Istria and the wishes of its inhabitants," Jakovcic said, commenting on the president's speech in Istria. In Jakovcic's opinion, Mr. Tudjman used a national holiday to promote the political views of a party, which is quite improper.

Jakovcic also commented on the formation yesterday of a presidential Council for Istria on the island of Brijuni and said that this was, for a change, a new, somewhat more subtle attempt to push through the HDZ vision of Istria and the HDZ program. Jakovcic added that this attempt was indeed based on the Constitution, but shows that the president is aware that the HDZ is not able to win the trust of Istria with its program and political views. Jakovcic considers the founding of the presidential Council for Istria hypocritical, while Emil Soldatic, IDS secretary, said that the masks have fallen, and the Council advocates the HDZ Motovun program. Soldatic also claims that it is now obvious that the "Dom" Society in Pazin is nothing but a branch office, or transmission of the HDZ. Furthermore, he wondered whether the HDZ and "Dom" are offering Istria a civic society like Glavas's fief in Osijek, a town with a similar destiny to Split's.

Jakovcic said that not a single member of the IDS, HSLS [Croatian Social Liberal Party], SDP [Party of Democratic Changes], and HSNZ [Croatian Party of Natural Law], was invited to lunch with the president at Bijela Vila [White Villa] on Brijuni, and that this gesture proved that the people in Istria who voted at the latest elections were being ignored. The IDS supports principled views of Istrian mayors and representatives of the County of Istria who spurned the invitation.

Emil Soldatic said that the fact that former IDS member Ivan Herak was present when the Council was formed, showed that Herak "had come where he belonged," and that this move of Herak's is interesting, since HSLS President Drazen Budisa told him Herak would not go to Brijuni. "If that decision was made by the HSLS after all, then one can say the party is the HDZ in sheep's clothing and that the HDZ program is beginning to be realized in Istria," said Soldatic.

Denis Jelenkovic, IDS member appointed to the Council for Istria, was not on Brijuni, and Jakovcic repeated that the County Assembly decided it would not send their members to the Council, and if someone were to go against this decision, the party would not ignore it. Jakovcic said that he was aware Jelenkovic was trying to benefit Istria, but that it should not be done through para-state institutions.

Asked to comment on the presence of the defense minister and police at the constituent assembly of the Council for Istria, Jakovcic replied that this could be explained by the view of some HDZ members who hold that the problem of Istria can also be solved with the army and police.

The IDS president also commented on the latest developments in the Croatian Parliament and the negotiations between the opposition and the ruling party, and concluded that the HDZ had accepted a new proposition of the opposition, but that it was obvious that the negotiating team of the ruling party was not capable of implementing it as it had been agreed.

Commentary Views Istria, Relations With Italy

AU2906112694 Rijeka NOVI LIST in Serbo-Croatian 27 Jun 94 p 2

[Commentary by Drazen Vukov-Colic: "Ever Narrower Circles"]

[Text] [Italian Foreign Minister] Antonio Martino and [Italian Prime Minister] Silvio Berlusconi could in principle be satisfied with what they managed to get in Corfu. At this meeting of the heads of the European Union, on which occasion a new European flag bearing 16 stars was first raised (Norway, Finland, Sweden, and Austria have signed admission agreements), Rome has after all made a few steps that will make Italy, at least in the foreseeable future, more important in this newly enlarged society than it was during its relentless "political purgatory" within the circle of the former Twelve. The meeting of "the Magnificent Seven" (the most developed industrial countries in the world) will soon be held in Naples, at which Russia will be completely swamped by the economic and political embrace of the West, and Italy at the moment also chairs the CSCE. Berlusconi will thus not find only his own television stations crucial this time, as he will be all over the television screens as a leading global diplomat. In Corfu he even managed unexpectedly to tip the scales of the diplomatic trade over the election of the new president of the European Commission, in which even the Germans—who only recently took it rather coldly—had to give in to the European parliamentary games over Berlusconi's neofascist allies. Now PANORAMA claims that the Twelve have agreed to support Italy with its constant designs on Slovenia, and Italy has again been discovering what already seemed irretrievably lost: the mentality of the winner, though the most important players are being kicked out of diplomacy (Fini) and the soccer field (Pagliuca).

In this political and media atmosphere Foreign Minister Antonio Martino is visiting Sarajevo, Zagreb, and Belgrade this Monday and Tuesday [27-28 June]. Rome has suffered quite a lot, being pushed out of the global remodeling of Bosnia-Herzegovina with contemptuous dismissal, with even Turkish soldiers accepted as part of the blue helmets, while Clinton expressly forbade the Italians to do the same. In the Balkans the Italians have suffered an unexpectedly large number of victims (European observers and journalists), but have received hardly any profit through sales; they are now among the loudest in the preparations for the reconstruction of Sarajevo, and some claim that the final plan for the division and rearrangement of Bosnia-Herzegovina will be sealed at the Naples meeting of the wealthiest nations. Martino arrives in Belgrade as the number one CSCE man, who might persuade Milosevic to let European observers go to Kosovo after all, while he comes to Zagreb as a neighbor, who will continue to drive Croatia crazy with the "hot-cold" policy whenever he deems it necessary. In parliament he thus rejected any stories about Italian territorial aspirations toward Slovenia and Croatia, promising—as Granic described to a half-empty parliament—"to abide by the European norms and agreements," but it is precisely those "European norms" that could bring more long-term headaches to Zagreb than the frivolous flirting of certain Italian circles with [Krajina's] Borislav Mikelic, the expert on all sorts of salami. Within a strictly diplomatic framework, Rome cannot harm Croatia, which only aspires to the Council of Europe, as much as Slovenia, which already hopes that it has squeezed its foot in the door of the European Union, but Rome can keep lead both countries by their noses to the applause of the European lobbies with constant references to the protection of minorities and free movement of capital, people, and ideas.

Those who support a similar observance of European standards in Istria constantly challenge Zagreb, while Zagreb can not silence Istria without alienating Europe, so Croatian diplomacy in that respect keeps chasing its own tail in ever narrower circles. Among other things, the Statute of the County of Istria has just been officially rejected because of some unwelcome multicultural and multilingual ideas, and at this moment only political dreamers could visualize that in the foreseeable future they could muster a majority in the Croatian parliament to agree to a new natural return of Italian property, and even vote for a law that would enable Italians—or any foreigners—to buy Croatian real estate. Croatian politics still adores Europe in principle, but only in the way that it does not become pregnant [as published], and to what extent this titillation from the other side of the Adriatic can be unpleasant was best shown by two heated speeches by Tudjman, in Podgora and Pazin, which, in some Italian circles, have caused surprise, shock, mockery, and rejection with barely concealed abhorrence. Anger and bitterness about "Cypriotization" and UNPROFOR are growing in Croatia, while Italy is enjoying a summer renaissance, so Mate Granic will, in his talks with Antonio Martino, have to invest a lot of good will, patience, and generosity to persuade his guest that it does not always pay to be pig-headed about everything because of a little political noise on either side of the Adriatic.

Defense Ministry Receives Turkish Delegation

LD2706164194 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 27 Jun 94

[Text] Delegations from the Croatian and Turkish Defense Ministries have held talks in Zagreb on promoting bilateral cooperation. Croatian Deputy Defense Minister Josip Juras received the Turkish Defense Ministry delegation.

The Turkish delegation, led by Colonel General Teoman Ekran, held talks with Brigadier General Janko Bobetko, the chief of the General Staff of the Croatian Army; and Brig. Gen. Antun Tus, the main military adviser to the Croatian president.

After the talks Josip Juras said that the two delegations had discussed military and technical cooperation and aid, as well as cooperation at experts' level. He added that some very concrete agreements had been reached, and he believed they would materialize in the near future, in the interest of both countries.

The aim of our visit is to strengthen relations between Croatia and Turkey and discuss possibilities for cooperation between the two ministries, Ekran said.

Commentary Views Relations With Athens

AU2906095794 Skopje NOVA MAKEDONIJA in Macedonian 25 Jun 94 p 2

[Commentary by Georgi Ajanovski: "Indispensable Negotiations"]

[Text] Do you remember the statements of former Greek Prime Minister Konstantin Mitzotakis that Athens would never negotiate with the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]? He made this statement just when mutual dialogue for solving the Greek-Macedonian dispute had started in New York.

Taking over the wheel of the Greek Government, Prime Minister Andreas Papandreou strongly accused his predecessor for accepting such discussions, and he threatened to break them off unless Macedonia changed its name. To show how resolute he was to break "Skopje," and thus force it into unilateral concessions, he imposed an economic blockade, believing that this was the way to provide an excuse for breaking off the dialogue.

Strongly affected and damaged, the Macedonian side clearly stated that it would not accept any further negotiations under the Greek embargo.

At the same time, there was a constant inflow of information from New York and Washington that negotiations had not actually been broken off and that we might even expect some good progress soon.

All this indicates that, unlike the violent propaganda confrontations between the two states, their diplomats were clandestinely doing their jobs. That was something that encouraged and pleased us within the overall situation. Regardless of mutual relations, the misunderstandings, threats, and conditioning, dialogue is indispensable, we might say unavoidable, and it represents the only way to overcome problems between two states. Malice, blindness, and egoism in policy usually causes damage to one's self if reality is ignored. In this case, that is exactly what dictates policies and it does not admit speculation and bluffing. The fact that the Republic of Macedonia is an independent and sovereign state, a member of the United Nations, building relations with all its neighbors in a democratic manner cannot be easily ignored or repudiated. It is also a fact that Macedonia and Greece, as the closest neighbors, cannot go on living in isolation and antagonism, because otherwise they will contradict their official proclamations advocating new relations in the Balkans, such as good neighborly relations, open borders, mutual confidence, and respect.

Because of all this there is no other alternative for Macedonia and Greece but to accept and respect European standards in constructing mutual confidence. Anything else would mean the continuation of the Cold War, which, unfortunately, is still widely accepted in the Balkans.

In this context, the pressure of the international community and the United Nations aims at a more rapid normalization of relations as a precondition for a wider stabilization of the region. The main question is: How can this be achieved? Normally, the international community would not like to take over the role of an outside arbitrator and judge of who is right and what should be done, but prefers to leave it up to the two sides to search for the most suitable solutions through direct mutual negotiations. However, it is doing its best to prevent either of the two sides from cheating, damaging, or doing injustices to the other. It does not want either of the two to feel like a winner or a loser, but that there is a genuinely acceptable formula for the two sides. The mediating activities of the international community are aimed in this direction and its assistance is of enormous importance.

If this approach toward the solution of the Macedonia-Greek dispute is accepted, there are no grounds for any versions or claims about instant recipes for the settlement of the dispute, that is, there are no precise proposals about the name, the flag, or other issues on which the Macedonian side is allegedly expected to take a stance. The aims of Greek propaganda are impossible to accept, we can even say they are cliches. They are trying to create an impression that the whole dispute is over these problems and that Macedonia is the one that should demonstrate good will, after which Greece will decide what it can and what it cannot accept. It is indicative that so far all such speculations and alleged proposals were designed by the Athens media. Or, as they say, like a hungry chick dreaming of corn.

It seems that Macedonia's tentative diplomacy shares the responsibility for this impression, because it does not want to be involved in such speculations and it does not have time properly to expound its own position regarding the negotiations and the real essence of the dispute. It could do so and thus eliminate the doubts and misunderstandings that worry part of the Macedonian public. In the absence of complete information on what the negotiations are about, bombarded by the abundant Greek propaganda, our public, as well as some opposition parties, are convinced that secret negotiations are being held and that Macedonia's national and state interests are being betrayed. This is particularly related to the change of the name and the state's symbols, and the top Macedonian leadership is being accused of making concessions "to someone, somewhere."

In a word, there is an impression that the complex dispute consists exclusively of Greek demands, and the outcome of this Macedonian-Greek dispute will depend on whether or not these demands are met. It is not taken into account that the Macedonian position is not to negotiate issue by issue on Greece's desires and claims, but wants to put it together as a package, dealing with all the issues that can contribute to the normalization of relations, which would ultimately open a space for overcoming individiual disputed questions. This agreement, it was affirmed, would be based on the principles

of the German-Polish agreement after the World War II, tracing the long-term development of mutual relations and a global respect for the interests of the two states.

Naturally, other questions would be discussed within this framework, and Athens has been avoiding them like the very devil, being related to various discriminatory measures and laws toward Macedonia. These measures are anachronisms in the international legal system.

This is the only approach that provides opportunities for getting out of the current dead end, which has been created by senseless demands that can by no international standards or principles be subject to negotiation between the two states. Only by a full and principled establishment of overall relations and by creating a real climate of confidence and mutual respect can the current Greek- Macedonian dispute be solved to the satisfaction of the two states, which coincides with the efforts of the international community and its mediating endeavors.

There remains the hope that Greece and Macedonia will find the strength and wisdom to fight for a model that will open up new perspectives in their mutual relations, and also in Balkan relations in general.

'Paramilitary' Albanian Organizers Sentenced

AU2906095194 Skopje NOVA MAKEDONIJA in Macedonian 28 Jun 94 p 5

[Article by S. Markovski: "Sentences From Five to Eight Years"]

[Text] More than seven and a half months since the beginning of the court trial in the so-called "Albanian paramilitary army," in the big hall of Skopje District Court, a council of three presided over by Ljubomir Jovevski, a judge in Skopje Communal Court II, stated its verdict yesterday. The 10 defendants were given prison sentences of a total of 65 years. Judging by the first reactions, all the defendants except the seventh, Burim Murtezani, received their verdicts calmly, without any emotion. However, their lawyers expressed dissatisfaction with the harsh punishment and they said they would appeal against the first decision. The families of the defendants expressed even greater dissatisfaction because they obviously had expected them to be released. Only the deputy of the district attorney Stevan Pavlovski showed neither satisfaction or dissatisfaction. He said he would express his satisfaction or discontent depending on the written explanation, that is, after the lawyers and defendants have lodged their appeal.

After the verdict was read, and was also amplified by an explanation, taking into account the defendants' statements in the investigation and the main court proceedings, evaluating the verbal evidence (statements of witnesses, mainly of the defense) and comparing this to the material evidence, we can conclude that the court council fully accepted the accusation. In other words, it was concluded to be true that in October and November of 1991, by mutual consent, Mithat Emini, Hasan Agusi, Resmi Ejupi, Selam Elmazi, and Redjep Sinazi created a hostile association under the name of "National Defense Headquarters," and that until November 1993 they engaged in a number of hostile activities with the aim of a violent change of the Constitutional order of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia]. The Court concluded as true the undoubted association, the provision of currency and arms from abroad, the assembling of a computer center, the formation of a Headquarters led by Mithat Emini together with others who were responsible for various military, strategic, and political functions, the formation of paramilitary units for the whole of western Macedonia, as well as for Skopje and Kumanovo, the preparation of an analysis on the political and security situation in the state, as well as on the activity and power of the enemy (The Macedonian Army, the Interior Ministry, and all the non-Muslim population), the formation of a messenger service, all as a function of the so-called "Ilirida" republic, as well as the issuing of a slogan according to which Albanians could speak to Slavs only via arms.

Having evaluated the whole event, the Court found all 10 defendants guilty and passed the following sentences: Mithat Emini (49) from Tetovo was given eight years imprisonment. The same sentence was given to Hasan Agusi (34) from Gorni Lipljan, Kosovo, present Federal Republic of Yugoslavia. Resmi Ejupi (46) from Gostivar, also citizen of the United States, Selam Elmazi (46) from Gostivar, and Redjepi Sinazi (40) from Tetovo were sentenced to seven years imprisonment. Husein Haskaj (43) from Djakovica, former Macedonian deputy defense minister, living in Skopje, Akif Demiri (53) from Cegrane, Gostivar district, and Abdiselam Arslani (48) from Poroj, Tetovo district, were sentenced to six years. Burim Murtezani (30) from Tetovo and Eugen Cami (53) from Debar were sentenced to five years in prison. The time they spent in prison during the investigation will also be taken into account.

The court also issued protective measures. Thus, Hasan Agusi will be expelled from Macedonia for good after he has served his sentence. All objects were confiscated by the state (guns, computers, vehicles, and so on).

Savo Kocarov, the defense lawyer of Mithat Emini announced that he would appeal and asked why a court proceeding was necessary when the Court reached its verdict on the grounds of an investigation that was mainly denied by the defendants at the main trial. The defense lawyer of Husein Haskaj, Burim Murtezani, and Eugen Cami also announced their intention to appeal, saying that the Court had not accepted any arguments presented by the defendants and the defense.

Contrary to this, the explanation of the verdict specified that all extenuating circumstances had been taken into account (the defendants had no previous convictions, they had no significant possessions, and some of them are in bad health).

Kucan: Closing of EU Doors 'Historic Injustice'

AU2806172794 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 28 Jun 94

[Report by Edo Zitnik from Strasbourg—recorded]

[Text] [Zitnik] President Kucan warned the Parliamentary Assembly [of the Council of Europe] that greater Europe's expectations following the fall of the Berlin wall have bumped against big problems which gave rise to fundamentalisms of all colors.

[Kucan] I am not worried by the revival of Bolshevism, at least not in the countries that I know. However, I am worried by the populist movements of all sorts, especially those that are trying to place the demanding tasks of resolving difficult issues that some nations are facing on others by constant xenophobic search for enemies and an atmosphere of perennial threats.

[Zitnik] The Balkans is a part of Europe and its divisions, too. For as long as there is no peace in the Balkans, according to Kucan, peace will be endangered everywhere on the old continent:

[Kucan] The Serbian national question is the nucleus of the Balkan crisis. It is as legitimate as all others, however, just as with the others its resolution demands and permits only the use of legitimate means and ways. A solution imposed by war cannot be legitimate and thus not acceptable. Lasting peace cannot be won by wars.

[Zitnik] President Kucan could not circumvent the Italian- Slovene dispute, with which the Concil of Europe is well acquainted even though, just like Brussels, it refuses to speak out openly about it.

[Kucan] Slovenia would perceive the closing of the EU doors as a new historic injustice. Because of some decisions that have been made over the last few months such sentiments of ours are justified. I do not believe that any country would like to prove its strength and influence within the EU by obstructing Slovenia's membership and making it conditional to its selfish interests.

[Zitnik] President Kucan finally emphasized that Slovenia expects special understanding for its position which is as unique as the position of any other European country.

Justice Minister Resigns in Housing Scandal

LD2806195194 Belgrade TANJUG in English 1916 GMT 28 Jun 94

[Text] Ljubljana, June 28 (TANJUG)—Slovene Justice Minister Miha Kozinc resigned over his role in a scandal which involved exploiting legal loopholes to give extremely favourable housing credits to state officials.

Kozinc, who chaired the government's housing commission, resigned under pressure from the public indignant that officials in newly-independent Slovenia should have greater privileges than those enjoyed by functionaries in the defunct communist regime.

The commission was paying out up to 100,000 Deutsche marks' worth of housing credits from the state budget at interest rates one-sixth of those paid by the man in the street for a housing credit from a commercial bank.

The favourable credits were used for a variety of purposes other than housing, such as building a swimming pool in the pation in the case of rightist M.P. Irena Oman. Kozinc himself benefited from the scheme to the tune of 70,000 Deutsche marks in housing credits.

Kozinc is the fifth minister to resign from the cabinet of Prime Minister Janez Drnovsek in recent months, which means that one-third of the ministers have been replaced under a cloud.

Federal

Italy's Martino Visits, Discusses Crisis

Italy Assuming 'Decisive Role'

LD2806160294 Belgrade TANJUG in English 1549 GMT 28 Jun 94

[Text] Belgrade, June 28 (TANJUG)—Italian Foreign Minister Antonio Martino said on Tuesday that the new Italian Government had assumed a more decisive role in the quest of a solution to the crisis in the former Yugoslavia, for which he said it had quite a few reasons.

Martino, who is on a brief working visit to Yugoslavia, told a news conference at the Italian Embassy in Belgrade that an extra reason for Italy's more active role was the summit of the world's leading seven industrial countries, which opens in Naples on July 8.

Martino, who visited Sarajevo and the Croatian capital of Zagreb on Monday, said it was necessary to hear all sides involved in the conflict.

The Italian foreign minister said all officials with whom he had conferred during his current Balkan tour had expressed pleasure at Italy's more active role. 'We are a neighbouring country and we are very much interested in the resolution of the problem in the region. and, I, myself, despite all the caution, believe that we can find a solution,' Martino told the news conference.

Martino said that, after the talks held with the Serb, Croat and Muslim sides, he had the impression that all sides had confidence in the international community.

Asked about the peace plan for Bosnia-Herzegovina prepared by the international 'contact group', the Italian foreign minister said he had not seen the plan yet but expected that it would be acceptable to all warring sides in Bosnia-Herzegovina.

Asked about the Osimo accords signed between the former Yugoslav Federation and Italy, Martino said it was the Italian Government's stand that the accords should be respected. All territorial issues between Italy and the former Yugoslav Federation, i.e. its western republics of Croatia and Slovenia, were resolved under the Osimo accords.

Slovenia and Croatia, which forcibly seceded in 1991, reject everything that has any connection with the former Yugoslavia, but, nevertheless, feel that the Osimo accords are valid and not subject to revision.

Martino Meets With Milosevic

LD2806122394 Belgrade TANJUG Domestic Service in Serbo-Croatian 1115 GMT 28 Jun 94

[Text] Belgrade, 28 Jun (TANJUG)—Serbian President Slobodan Milosevic today received Italian Foreign Minister Antonio Martino, who is paying a visit to the Federal Republic of Yugoslavia [FRY].

In the course of cordial and open talks the president of Serbia and the Italian foreign minister exchanged views on questions of interest for the further successful development of bilateral relations and cooperation, as well as those of significance for the resolution of the Yugoslav crisis, and peace and security in the region, reads a statement issued by President Milosevic's office.

Foreign Minister Martino expressed the readiness and desire of the Italian Government to become involved in activities aimed at overcoming the crisis in the region. Italy is interested in a stable development of cooperation and good-neighborly relations with the FRY, with particular emphasis on the interest both countries have in strengthening economic links. It is a fact that the economic sanctions against the FRY delayed realization of many joint projects, which has harmed not only the economies of Serbia and the FRY, but also of a number of other countries with which Serbia and the FRY are linked and interdependent on, to a high degree. Economic sanctions are an obstacle imposed on free exchange of goods, circulation of people and ideas, their free exchange and communication, and for this reason they have to be lifted as soon as possible as unreasonable and discriminatory measures that affect the interests of several countries, the statement notes.

The peace process and activities aimed at ending the war in the former Bosnia-Herzegovina were discussed in particular. It was stated that the international community undoubtedly has the responsibility and an obligation to use its influence in a determined manner with the aim of having the Muslim side end armed provocations and threats, and to finally give up aspirations to achieve its goals by war.

In the interest of peace the international community has high responsibility for presenting an overall plan which would not be based on an one-sided approach and favoring the interests of one side in the conflict at the expense of the other, but on the principles of equality, equal protection of their vital interests and an unbiased treatment. In keeping with this, Serbia believes that the principle of equality—which has to be respected—also implies the lifting of the economic sanctions.

Yugoslav Foreign Minister Vladislav Jovanovic also attended the talks.

Meets With Bosnian Serb Leaders

LD2806143794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1242 GMT 28 Jun 94

[Text] Belgrade, 28 June (TANJUG)—Italian Foreign Minister Antonio Martino, on a short working visit to the Federal Republic of Yugoslavia, met with Serb Republic Vice-President Biljana Plavsic and Foreign Minister Aleksa Buha in Belgrade today.

After the meeting Biljana Plavsic told reporters that the talks with the Italian foreign minister came at the right

moment, clearly having in mind the forthcoming meetings, including the G7 summit, at which, as expected, the fate of former Bosnia-Herzegovina could be finally decided.

Assessing today's talks with Martino and his aides, Buha said that his first impression was that they were "beginning to do the job with a fresh approach and without bias."

The Italians wanted to hear at first hand where the Serb Republic sees the solution of the Bosnian conflict, which was interpreted in Serb Republic circles as an obvious intention by Rome to get more actively involved in the Bosnian peace process.

According to Buha, the Italian minister and his aides were today informed about the general position of the Serb Republic on the Bosnian conflict. First of all, the Italians were told, the international community has gotten itself entangled in a net from which it ccan hardly get out unless it could come up with some new ideas.

There are two main conditions for the resolution of the conflict, as far as the Serb Republic is concerned, Buha said. The first one is that the international community acknowledges at long last that the former Bosnia-Herzegovina cannot exist as an independent state any more, that this is a piece of fiction.

The other condition is that things in the former Bosnia-Herzegovina are called by their real names. This means that there are three sovereign nations in the former Bosnia-Herzegovina who can decide their own fate. The international commun.ty should recognize two state entities - the Muslim-Croat federation and the Serb Republic, Buha said.

Martino Summarizes Talks

LD2806145694 Belgrade TANJUG Domestic Service in Serbo-Croatian 1123 GMT 28 Jun 94

[Text] Belgrade, 28 Jun (TANJUG)—After meeting with Serbian President Slobodan Milosevic today, Italian Foreign Minister Antonio Martino said that the talks were interesting and fruitful.

Martino reiterated that his mission was to find a peaceful solution to the Yugoslav crisis before the forthcoming G7 meeting G7 in Naples.

The Italian Foreign Minister said that he is still a "stubborn" optimist regarding the future, adding that he agreed with President Milosovic that peace is the most important thing for the prosperity of the region, the surrounding states, and the whole of Europe.

Martino stressed that the next two weeks will be crucial for finding a solution to the crisis. Expressing his hope that, with peace as the main goal, something constructive would happen in the period between now and the G7 meeting in Naples on 8 July, Martino said that he does not have "a magic formula in his pocket" but that the encouraging signs on the horizon should not be discarded.

Asked about Serbia's future role, Martino said that Serbia, President Milosevic and Yugoslavia have a very important role to play in the efforts successfully to implement the peace process.

Certain obstacles to peace must be overcome as they belong to the past and are not a problem of the future, the minister said. "If we have a constructive approach to the problem, things will work out fine", he added.

Martino said he discussed the sanctions against the Federal Republic of Yugoslavia with Milosevic and that he said that all sides could benefit from trade, which is a unifying factor in international relations and of great importance for all countries.

Yugoslav Foreign Minister Vladislav Jovanovic, who also took part in the talks, agreed with Martino's description of the talks as cordial and meaningful and that they showed that both sides are interested in establishing peace promptly and in removing all artificial obstacles to achieving this.

"We are particularly encouraged by the fact that the new Italian government will intensify its activities in the peace process, as well as by the abandonment of the double-standards policy and the adoption of a principled stance to the Yugoslav crisis, since this is the only stance that can bring peace," Jovanovic said.

The parts of the talks relating to world politics showed adherence to the principles of peace and a significant degree of readiness by both sides to contribute towards finding positive solutions to all different aspects. We believe that we shall continue to develop principled cooperation with Italy, as the most important neighboring state, Jovanovic said.

Foreign Ministry Statement on Talks

LD2806174294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1416 GMT 28 Jun 94

["Foreign Ministry Statement on Italian Foreign Minister's Visit"—TANJUG headline]

[Text] Belgrade, 28 Jun (TANJUG)—Antonio Martino, foreign minister of the Republic of Italy, paid a one-day visit to the Federal Republic of Yugoslavia [FRY] on 28 June. The talks with Federal Foreign Minister Vladislav Jovanovic centered on the international community's intensive efforts aimed at finding a peaceful solution to the Yugoslav crisis, the two countries' contribution in this respect, and certain bilateral issues.

The Yugoslav side informed its Italian collocutors about the constructive efforts the FRY is making toward ending the civil war in Bosnia-Herzegovina as soon as possible by reaching a peace agreement, with respect for the legitimate interests of the parties involved.

Voicing support for the new Italian Government's endeavors to become more actively involved in the peaceful resolution of the Yugoslav crisis, the Yugoslav side expressed its hope that Italy—a neighboring country and influential member of the European Union—will contribute to a principled approach to the crisis. As Italy will soon be presiding over the summit of the G-7 and Russia in Naples, hope was expressed that Italy will contribute to the shaping of a more objective view of a resolution and a more realistic position regarding the search for a just and lasting peace.

Special emphasis was laid in the talks on the need for normalizing relations between the FRY and the CSCE, with the lifting of the ban on the FRY's activities as the final result.

The Yugoslav side underscored the necessity for lifting the sanctions, since it has met all the conditions stemming from relevant UN Security Council resolutions. There is a growing awareness among international factors that the FRY is actively engaged in the search for a peaceful solution, while the sanctions are becoming counterproductive because they are encouraging the advocates of the war option and rendering peace talks more difficult. In addition to their dire consequences for the population and the economy of the FRY, the sanctions are adversely affecting neighboring countries and the entire European continent. As a result of the sanctions, Yugoslav-Italian trade has dropped from several billion dollars to zero.

The Italian side was informed about the situation in the Balkan region, relations with neighboring countries, and the current process of normalizing relations with the former Yugoslav republics—something Yugoslavia is sincerely interested in.

The meeting reaffirmed the traditionally friendly relations between Yugoslavia and Italy—relations that are not burdened by open problems. It was mutually concluded that significant prospects exist for the revival of all-encompassing bilateral cooperation after the sanctions are lifted. The conviction was expressed that the development of such cooperation will in future be an important impetus to the overall normalization of economic and political ties in the region of former Yugoslavia.

Jovanovic Urges 'Principled Approach' to Crisis

AU2806153694 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 28 Jun 94

[Report by Jelena Radovanov on statements by Italian Foreign Minister Antonio Martino and FRY Foreign Minister Vladislav Jovanovic in Belgrade on 28 June—recorded]

[Text] [Martino, in English fading into Radovanov report in Serbo-Croatian] The talks with President Milosevic were extremely interesting and fruitful, Italian Foreign Minister Antonio Martino said. These are the final talks with all the sides that are involved in the Bosnia-Herzegovina war in order to find ways for progress and peace, and to prepare for the meeting of the G-7 and Russia in two weeks time in Naples, Minister Martino said. The talks with President Milosevic were cordial and very instructive. I am an optimist when it comes to the future. I think that we should overcome the disorder of the present and the historical roots of the conflict, and turn to the future and its promises. I think, Minister Martino said, that peace is essential for the prosperity of this region and these countries, as well as for the entire Europe. I was happy to hear what President Milosevic had to say and to draw conclusions from his views, Minister Martino said.

This is how FRY [Federal Republic of Yugoslavia] Foreign Minister Jovanovic assessed the talks between Serbian President Slobodan Milosevic and Italian Foreign Minister Martino:

[Jovanovic] I will go along with what the minister said about the talks being cordial and substantive, and that they showed that both sides are very interested in reaching peace as soon as possible, and in the removal of all the artificial obstacles that thwart the efforts for reaching peace even before the latest efforts. [sentence as heard] We are particularly encouraged by the fact that the new Italian Government is going to intensify its activities in the process, and do everything it can to mark the departure from the policy of double standards so that a principled approach is formed toward the Yugoslav crisis. A principled approach is the only one that can lead to peace. The talks about all the aspects of the Yugoslav crisis show the common concern for peace, and the readiness of both sides to contribute to a positive solution for Bosnia [words indistinct].

We believe that—together with Italy as the most important neighboring country—we will find ways for developing a constructive cooperation and continuing political contacts.

Nikiforov To Replace Churkin on Belgrade Visit

LD2906090194 Belgrade TANJUG Domestic Service in Serbo-Croatian 0815 GMT 29 Jun 94

[Text] Belgrade, 29 Jun (TANJUG)—Russian presidential special envoy Vitaliy Churkin has changed his plans at the last minute and has decided not to travel to Belgrade today. This has been learned from Russian sources.

According to the same sources, Aleksey Nikiforov, a high-ranking official of the Russian Foreign Ministry, will arrive in Belgrade instead of Churkin late this afternoon.

Nikiforov will arrive from Paris, where he participated in the work of the contact group. He is expected to brief Serbian President Slobodan Milosevic about the work tomorrow. [passage indistinct]

Choice of Turkey as Peacekeeper Criticized

LD2506202994 Belgrade TANJUG in English 1955 GMT 25 Jun 94

[Article by Vjekoslav Radovic]

[Text] New York, June 25 (TANJUG)—Ousted from Bosnia by the ruling of the 1878 Berlin Congress after centuries of occupation, Turkey is now being sent back by the U.N. secretary-general. The former occupier is returning 116 years later under the guise of a "peacekeeper." Apparently aware of the paradox, Secretary-General Butrus Butrus-Ghali has long opposed the idea of including Turkey in the U.N. Protection Force (UNPROFOR) in the breakaway Yugoslav republic of Bosnia-Herzegovina, seeing this as being sharply at odds with the proclaimed principle that neighbouring countries and former occupiers could not serve as peacekeepers in the Balkan crisis.

Eventually, because of a poor response from the other nations to an appeal to donate troops to UNPROFOR, the principle has gone the way of many another and was trampled underfoot by Butrus-Ghali's "yes" to the Turks. However, Turkey's historical occupation of Bosnia and return, this time under the wing of the United Nations, is not the only paradox which has made the peacekeeping force a mockery.

Turkey has a notoriously smudged record in international relations, which the West is inclined to turn a blind eye to because of the country's strategic importance to NATO. One has only to remember Turkey's presence in Cyprus, where its forces have held one-half of the island under occupation for twenty years. One might think that Turkey has spent the past twenty years under sanctions for the occupation. Not so. Turks remain in Cyprus, the United Nations wastes billions of dollars on maintaining a peacekeeping force there, but there is no mention of sanctions from any quarter.

Sanctions seem to be reserved for the likes of Serbs, Haitians, Iraqis and, possibly, North Koreans. Nobody is even trying to answer the question whether a country can be an occupier of a neighbour and still serve as a peacekeeper in another country, which it held under subjugation for centuries, at that.

U.N. press spokesmen have recently been stunned by the provocative question whether Serb peacekeeping troops might be sent to Cyprus. The question seemed absurd and provoked gales of mirth from the assembled reporters. Nobody laughed about the deployment of Turks in Bosnia- Herzegovina. And indeed, this is no laughing matter.

The Western media raised hue and cry in February when 300 Russian troops were to be deployed in Sarajevo. However, the world is taking in its stride the deployment of 1,500 Turks, in addition to the Malaysians, Jordanians and Egyptians already in Bosnia and the announced arrival of Bangladeshis and Pakistanis. The hypocrisy of the international community knows no bounds.

Another important and unanswered question emerges, viz. can a country enforce law and order in another state, while being unable to keep its own house in order. Turkey is notorious for its violation of human rights, and ranks fifth in the world for the number of journalists in prison. The world has forgotten the first big genocide of the 20th century, which was perpetrated by Turks killing more than a million Armenians. Similarly, the Western media today have deliberately forgotten the genocide perpetrated by the Nazis against the Serbs in World War Two.

This, then, is the picture of the state which is returning to Bosnia-Herzegovina as a "peacekeeper." All this should be reason enough for the powers that be on the east river to take a closer look at the moral criteria to be applied to would-be peacekeepers. There is no sign, however, that anybody is likely to give the matter a thought.

According to the latest information, the 1,500 Turkish troops and experts will be deployed along the lines of separation between Moslems and Croats in the areas of Zenica and Kakanj in central Bosnia. But, can one really believe that this will be so, after so many principles have been trampled on. According to a statement submitted by the Turkish mission to the United Nations, the Turkish troops are bringing to Bosnia 393 vehicles, including 70 trucks and 33 armoured cars. The statement was withdrawn before it could be seen by most of the reporters, leaving behind a massive speculation about 200 vehicles which are mentioned en masse, but not separately described.

It is a generally recognised fact that Turkey has been smuggling arms to the Moslems in Bosnia. So now it would appear that it is helping their brothers in Allah with one hand, while tipping its blue helmet with the other. When to this is added the ease with which international institutions and the Western media are ignoring the latest Moslem offensive in Bosnia, it is not clear whether the world wants peace or war in Bosnia. Or is it.

Liquidity of Banks Deteriorating

94BA0330A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 13 Jun 94 p 16

[Article by V. Grlickov: "Money: Indication of Changes"]

[Text] Bank liquidity has deteriorated suddenly because the banks have half the funds (70 million dinars) in giro accounts than in their previous "fatter condition" because of the measures taken by the central bank. Since the greatest debate at present is about furnishing money for the purchase of agricultural products, the impression has been created that bank liquidity is dropping because of the outflow from accounts for those purposes. Now, this could be a partial explanation. The season for the

principal purchases in agriculture (wheat) has not yet arrived, and the job of "covering" seasonal fruit and vegetables is coming to a close. (Union Bank had a share of 30 percent in financing transactions that bring considerable export results.) Bank liquidity is dropping, above all as a consequence of money withdrawn from circulation because foreign exchange has been purchased with the reserves of the National Bank. The slowness with which that foreign exchange is effectuated (providing imports) is another question; this can mainly be attributed to the sanctions and less to speculative operations related to the outflow of capital abroad.

The fundamental commitment in the Avramovic program of supplying the money in circulation from real sources, that is, with coverage by foreign exchange, gold, and goods—is not for the moment in jeopardy. But this policy of sound money, as Governor Dragoslav Avramovic said himself in the meeting with people from the Yugoslav-Swiss Bank, has its limits. First of all, we cannot assume that the state will be able to supply foreign exchange indefinitely to cover budget deficits, which include purchases from agriculture. That is why the governor is insisting that the budget deficit be eliminated entirely as of 24 July, so that expenditures are covered entirely by taxes (a broader coverage of taxpayers at a somewhat lower tax rate). At the same time, the state could borrow on the capital market, but absolutely not from the National Bank in the form of credit supplied from primary issue. This ought to be done through the sale of government bonds, whose sales on the market should be sign to the central bank as to the extent that the budget deficits can be covered with real funds.

The tax system is the second vital area whose importance to the success of the program the governor is stressing. The most acute problem is the tying of taxes to wages and salaries, which is resulting in the phenomenon of "double payrolls": the one on which the taxes are charged and the other, which is paid in cash. It is the system that is driving the state to increase wages and salaries, since total tax collections depend on that.

It is still uncertain whether primary note issue will be used to cover wheat purchases, which, according to some calculations, will require 320 million dinars in July and August. The model proposed by the Federal Government precludes primary note issue; the banks would have to supply 80 percent and the purchasers 20 percent. The banks would provide most of the funds from federal or republic deposits, and they would use the legal reserves to a lesser extent. Statements to the effect that there will not be any adverse monetary effects are based on the assumption that the federal state and the republics have deposits in the banks from real sources, while use of the legal reserves (the remaining 5 percent which the banks set aside against sight deposits) is not considered an inflationary source, or it is assumed that the effect on this basis will be canceled out in some way, say, by withdrawal of money from circulation through the purchase of foreign exchange.

One particular problem is that payments based on purchases in agriculture would follow a protracted schedule: 30 percent would be paid immediately, while 70 percent would go into savings accounts in time deposits for 30 or 60 days. It would have been better to use securities, commercial commodity bills or notes, as elements for speeding up financial markets.

The greatest doubts about realization of the Avramovic program center on the fact that the banks seem not to be able to count on repayment of outstanding credits (about 1,070 billion dinars as of end-May) as a source for making new loans. Governor Avramovic does not deny the existence of that problem, nor did he earlier, but he mentions that he himself does not know what the figures are on the extent of uncollectibility (money has gone, for instance, to pay wages and salaries), nor how much was loaned out for longer terms than allowed by sight deposits—but for the first time he mentioned as a problem the inefficiency of the system, which arises in connection with the approval of loans and use of money from the banks. To be sure, he does not say this explicitly, but indirectly, giving as an example the deteriorated situation in the German economy following unification of the Western and Eastern parts. The question is whether the otherwise desirable increase of wages and salaries of those who are productively employed will be sufficient shock absorbers to offset the adverse consequences of possible social unrest. In any case, primary note issue must be precluded as a way out, since the limits within which it could be given real coverage are very narrow.

Serbia

Milosevic Praises Party for Joining Government

LD2906030494 Belgrade TANJUG in English 2140 GMT 28 Jun 94

[Text] Belgrade, June 28 (TANJUG)—Serbian President Slobodan Milosevic on Tuesday praised the opposition New Democracy Party for supporting the idea of a national unity government by joining the cabinet of Premier Mirko Marjanovic.

Milosevic said that the party had acted from patriotic motives, rising above petty party interests. Milosevic was speaking with the party's representatives whom he received on the occasion of 100 days in office of the Serbian government. He had first received Prime Minister Marjanovic and his cabinet.

After the meeting, New Democracy president Dusan Mihajlovic told reporters the party had no reason to be dissatisfied with the decision to join the cabinet. Mihajlovic said the party had accepted the offer to join the Marjanovic cabinet because of the latter's promise to work actively for peace, the lifting of international sanctions against Yugoslavia (Serbia/Montenegro), its reintegration in the international economic and political community and the implementation of the country's economic recovery programme.

Milosevic Praises Government's First 100 Days

LD2906033494 Belgrade TANJUG in English 2257 GMT 28 Jun 94

[Text] Belgrade, June 28 (TANJUG) - Serbian President Slobodan Milosevic on Tuesday gave the government positive marks for the first 100 days in office.

He said he was convinced that, with popular support, the cabinet of Serbian Prime Minister Mirko Marjanovic stood a good chance of success in the implementation of the Yugoslav economic recovery programme. Serbia, together with Montenegro, forms Yugoslavia.

Milosevic received Marjanovic and his cabinet on the occasion of their 100 days in office. Milosevic said the government had been consistent in the application of the economic recovery programme, which was launched on January 24 and is being implemented at federal level. Milosevic described as achievements unrivalled in years the rise in industrial and agricultural production and elimination of the budget deficit recorded in the past three months. Marjanovic, for his part, said that industrial production had risen by 18.6 per cent from January to May 1994. The stocks of finished goods are melting down, which means that the output is not being stockpiled, but absorbed by the market, he added.

Milosevic said that another of the government's achievements was that it had broken away from the legacy of decades of bureaucratic rule and that the initial criticism that it was a cabinet of technocrats had turned out to be an advantage.

The fact that it comprises a large number of former industry executives has led to its breaking away from the bureaucratic legacy of evading responsibility and has contributed to its creative approach to dealing with problems, Milosevic said.

"I am sure that this kind of record after 100 days and this kind of experience with which the government has embarked on this crucial stage in the implementation of the economic programme give it a good chance of success," he added.

Marjanovic said that the economic recovery programme was not one intended to ensure merely the nation's survival, but also a promotion of the market mechanisms and life in dignity in conditions of international isolation.

Moreover, the programme lays the groundwork for an economic boom after sanctions, Marjanovic said and added that the government was giving results, that the programme had been widely accepted and the people would not agree to any solution that would take them back to the inflationary chaos of last January.

"It remains for us at all times to unrequivocally defend, protect and promote the healthy dinar as the pivot of our future economic prosperity," Marjanovic said.

Turkish Resettlement Via FYROM Feared

AU2906080394 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 28 Jun 94 p 7

[Report by N. Ilic: "Claws of the Turkish Beys"]

[Text] Over the last 10 years and especially since the disintegration of the SFRY [Socialist Federal Republic of Yugoslavia], southeast Serbia has lived in a tense and unpleasant shadow of the frantic Islamization of the neighboring Former Yugoslav Republic of Macedonia [FYROM]. This is an assessment that can be heard ever more frequently in this region and also in the reports of the leading international agencies.

In the last three years Turkey has been acting more and more aggressively toward Macedonia, taking advantage of its poor economic position and the blockade from the south. The aim is to conquer the territories in the south Balkans that the Ottoman Empire lost some 70 years ago, correspondents of REUTER and the French papers write from Skopje.

According to these papers, the finale of the Turkish plan is to build a railroad to Albania through Macedonia, which would close the "green" circle around Serbia and open the possibility of a military-transport route toward Kosovo, Raska, and Montenegro.

It is also rumored that businessmen from Ankara and Istanbul are offering $200 million in nonrepayable investments to the FYROM Government to see "the Islam Express" roaring down the Macedonian railroad tracks in six months' time. All this envisages Skopje's meek consent to the realization of this project because this former Yugoslav republic is, due to the big credits it took from Turkey during the time of gaining its independence, financially and politically incapable of resisting this demand.

The national parties in FYROM admit that the Turkish beys have with this bought the tacit approval of the Macedonian officials, whom they have grasped in their claws for a long time. They have even managed to secure a 24-hour Turkish language television program in the middle of Macedonia as well as renovation and revival of the Turkish schools in Western Macedonia, where the majority of children do not speak the language of sultans at all.

By 2005 the Muslim population is expected to form the majority population in Macedonia. There are more pupils of the Islamic denomination in the first grades of primary schools than of other denomination now, the statisticians and those well acquainted with the situation in FYROM claim.

Behind all this, naturally, lies a question: Will Turkey, with a demographic explosion of the Islamic population via our southern neighbor, try to recapture what it lost in the Balkan wars and will it, with the railroad, by the end of the year be knocking on the doors of southeast Serbia, too?

"It is realistic to expect something of the kind. For the Turks have never overcome their loss of the Balkans. They have left sizable traces here and we can thus expect first the attacks of their propaganda and then of the remaining state 'machinery,' concretely in Toplica and the region around Vranje, Pirot, Leskovac, and Nis, where numerous geographical localities are still registered under their [Turkish] names," Prokuplje historian Bozidar Cevori says.

According to him, history knows of cases of rapprochement of the Turks, the Albanians, the Sandzaklians [the residents of Sandzak], and the Turkicized Montenegrins with the aim of Islamizing the southeast and other parts of Serbia. Here, the construction of the railroad through Macedonia could give fresh impetus to the realization of Allah's ideas. The pretensions of the Turkish beys and landowners should evidently not be taken lightly as [Bosnia- Herzegovina President] Alija Izetbegovic himself has announced that this is part of the long-term plan of the resettlement of approximately 4 million Muslims from Turkey in the homes of their grandfathers and great-grandfathers.

Depos Opposes 51:49 Division of Bosnia

AU2906145694 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 29 Jun 94

[Text] The Democratic Party of Serbia [Depos] held a regular news conference today. Party President Vojislav Kostunica spoke about the work of the Serbian Government in the last three months and the peace negotiations on the former Bosnia-Herzegovina. Katarina Andric-Milosavljevic reports:

[Andric-Milosavljevic] The Democratic Party of Serbia holds the view that the public has been presented a distorted picture on the work of the Serbian Government in the past 100 days. The assessments presented by Serbian President Slobodan Milosevic and Prime Minister Mirko Marjanovic yesterday differ from those that had been heard in the Serbian Assembly in the past few months, Kostunica said. While the president and the prime minister spoke about very successful work of the Serbian Government, the Serbian Assembly often has long debates and often hears certain politicians' sharp criticisms regarding the lack of efficiency in the implementation of the Serbian Government's measures, Vojislav Kostunica said.

The Democratic Party of Serbia takes the view that offered solution for the former Bosnia-Herzegovina, according to which the Muslims would get 51 and the Serbs 49 percent of the territory, conceals many shortcomings for the Serbs. This stems from the fact that before the war the Serbs in Bosnia-Herzegovina owned over 60 percent of territory and were in an absolute majority, territorially and population wise. The new division, giving a slight advantage to the Muslim side, appears to be an attempt to make an entity whose advantage would be extended in the future to numerous institutions that will serve the Muslim and Croatian sides.

Despite this, the Serbs must insist on the continuation of the peace negotiations in order to obtain a more favorable solution, officials of the Democratic Party of Serbia say.

Commentary Warns of Belgrade TV Propaganda

AU2906144294 Belgrade VREME in Serbo-Croatian 27 Jun 94 p 26

["P.L."-initialed commentary: "TV Gunpowder"]

[Text] One does not change a winning team. This old, and well-tested formula from the days when the Serbs ranted (on TV) about being endangered in Croatia and Bosnia-Herzegovina can again be heard on Radio Television Serbia at prime time under the disguise of "special" political programs. For example, on Tuesday [21 June] (also on Sunday, and particularly on Monday) a special program was broadcast by TV Belgrade: The guests, leaders of the Serbs in "the former, unrecognized Yugoslav republic of Macedonia" [The Former Yugoslav Republic of Macedonia—FYROM] seemed to compete in explaining how they had been "denied their collective rights," while at the same time they admitted that they were given their "individual rights" (the right to work, the freedom of speech and expression, the freedom of movement), and that they had no problems there.

As in previous (already seen) cases, "decent Macedonians" phoned in to Television Belgrade to express their "support for the right of the Serbian people to decide on their own fate," and to reject simultaneously "the possibility of forming some sort of a Macedonian party in Serbia."

Of course, the entire program was dedicated to the same issues: The census in Macedonia is illegal because "no one wants to admit that there are 250,000 of us in Kiro Gligorov's state" (all data reveal that this figure is blown out of proportion at least several times); the census is illegal since "it is aimed against the Serbian national entity"; the census is illegal since it "neglects the rights of the Serbs who are defending their hearths," and so on.

Experience tells us that such TV programs have usually been followed by going to war for "the liberation of territories" or for "the defense" of the aforementioned "hearths." The examples of Croatia and Bosnia-Herzegovina are too fresh to be easily forgotten.

The only question is: Will TV Belgrade (led by Milorad Vucelic] take that one step that separates peace from war, or will it stop after the census is over, along the lines of "let bygones be bygones"?

In both cases, the smell of TV gunpowder is very much in evidence.

Montenegro

Foreign Minister Talks With Italy's Martino

LD2806194294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1730 GMT 28 Jun 94

[Text] Podgorica, 28 Jun (TANJUG)—The Montenegrin Foreign Affairs Ministry has announced that Miodrag Lekic met Italian Foreign Minister Antonio Martino in Belgrade today.

Lekic "voiced the opinion that the peace process in connection with the Bosnia-Herzegovina conflict is entering its most delicate stage to date, and that its end will either mean qualitative improvement or a plunge into an even deeper crisis and uncertainty." According to the Montenegrin foreign minister, by accepting or rejecting the furure peace plan, the warring sides in Bosnia will definitely declare themselves either for peace or for the continuation of the war.

The Italian foreign minister was reported as having said in talks with Lekic that his country holds Montenegro's constructive contribution to the current peace process in high esteem and he expressed Italy's readiness to go on aiding Montenegro in alleviating its difficulties. Contacts between Italian and Montenegrin representatives so far have been assessed as positive, and it was concluded with pleasure that they have lately been registering an upward trend.

Hope was expressed that cooperation between Montenegro and Italy will be promoted after the sanctions are lifted.